



2025/2026

ANNUAL REPORT



PUBLISHED BY:



Council for Quality Assurance in
General and Further Education and Training

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PART A: **GENERAL** **INFORMATION**

1. GENERAL INFORMATION

REGISTERED NAME:	Umalusi – Quality Council for General and Further Education and Training
PHYSICAL ADDRESS:	37 General van Ryneveld Street Persequor Technopark Pretoria 0121
POSTAL ADDRESS:	37 General van Ryneveld Street Persequor Technopark Pretoria 0121
TELEPHONE NUMBER:	+27 (12) 349 1510
EMAIL ADDRESS:	info@umalusi.org.za
WEBSITE ADDRESS:	www.umalusi.org.za
EXTERNAL AUDITORS:	PricewaterhouseCoopers (PwC)
INTERNAL AUDITORS:	Nexia SAB&T
BANKERS:	Absa Bank Limited

2. LIST OF ABBREVIATIONS/ACRONYMS

ABET	Adult Basic Education and Training
ACC	Accreditation Committee of Council
AEAA	Association for Educational Assessment in Africa
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AOP	Annual Operational Plan
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASC	Assessment Standards Committee
CEO	Chief Executive Officer
CHE	Council on Higher Education
CSD	Central Supplier Database
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
EAES	Evaluation, Accreditation and Examination Services
EAP	Employee Assistance Programme
ECESWA	Examinations Council of Eswatini
ECoL	Examinations Council of Lesotho
EGCSE	Eswatini General Certificate of Secondary Education
EO	Examination-on-Request
EQA	Eswatini Qualifications Authority
EXCO	Executive Committee
F&SCM	Finance and Supply Chain Management
FY	Financial Year
GBV	Gender-Based Violence
GBVF	Gender-Based Violence and Femicide
GENFETQA	General and Further Education and Training Quality Assurance
GETC	General Education and Training Certificate
GETC: ABET	General Education and Training Certificate: Adult Basic Education and Training
GFET	General and Further Education and Training
GFETQSF	General and Further Education and Training Qualifications Sub-framework
GRAP	Generally Recognised Accounting Practice
HCM	Human Capital Management
HR	Human Resources
HRM	Human Resource Management
HRO	Human Resource Oversight
IAEA	International Association for Educational Assessment
ICASS	Internal Continuous Assessment
ICT	Information and Communication Technology
IEB	Independent Examinations Board
ISAT	Integrated Summative Assessment Task
ISC	International Senior Certificate
JAEAA	Journal of the Association for Education Assessment in Africa
LGCSE	Lesotho General Certificate of Secondary Education
LoI	Letter of Intent
MOHERST	Ministry of Higher Education, Research, Science and Technology

2. LIST OF ABBREVIATIONS/ACRONYMS contd.

MoU	Memorandum of Understanding
NATED	National Accredited Technical Education Diploma
NC(V)	National Certificate (Vocational)
NCS	National Curriculum Statement
NEPA	National Education Policy Act
NLRD	National Learners' Records Database
NQF	National Qualifications Framework
NSC	National Senior Certificate
NUL	National University of Lesotho
OHS	Occupational Health and Safety
PAT	Practical Assessment Tasks
PEA	Post-Examination Analysis
PED	Provincial Education Department
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System
PPFA	Preferential Procurement Policy Framework Act
PPE	Personal Protective Equipment
PR & Comms	Public Relations and Communications
PSET	Post-School Education and Training
PSCBC	Public Service Coordinating Bargaining Council
PSR	Public Service Regulations
PwC	PricewaterhouseCoopers
PwD	People with Disabilities
QAA	Quality Assurance of Assessment
QAA-PSQ	Quality Assurance of Assessments: Post-School Qualifications
QAA-SQ	Quality Assurance of Assessment: School Qualifications
QCTO	Quality Council for Trades & Occupations
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
S&G	Strategy and Governance
S&T	Substance and Travel
SACAI	South African Comprehensive Assessment Institute
SAQA	South African Qualifications Authority
SASA	South African Schools Act
SBA	School-Based Assessment/Site-Based Assessment
SC(a)	Senior Certificate (as amended)
SMLC-NOPAC	Senior Management Leadership Committee–National Operations Policy Advisory Committee
TVET	Technical and Vocational Education and Training
UIF	Unemployment Insurance Fund
WSP	Workplace Skills Plan



Professor TP Msibi
Umalusi Council Chairperson

3. FOREWORD BY THE CHAIRPERSON

It is my honour to contribute this foreword to the 2025/26 Annual Report. I would like to start by expressing my sincere thanks and appreciation for the work undertaken by the 6th Umalusi Council, chaired by Professor Yunus Ballim, whose term of office ended on 7 June 2026 after assuming duty on 8 June 2022.

As the Chairperson of the 7th Umalusi Council, I therefore see this report as the baton handed to us by the previous Council, whose exercise of fiduciary responsibilities ensured that Umalusi remains a trusted authority in fostering high educational standards in general and further education and training. As the Minister of Basic Education, Ms Siviwe Gwarube, remarked on 5 June 2026 during the farewell function of the 6th Umalusi Council of which I was the Deputy Chairperson, the new Council will undoubtedly benefit from the solid foundation laid not only by the immediate past Council, but also by all the previous Councils.

As with previous Umalusi Councils, our role in discharging our fiduciary duties, as guided by the approved Council Charter, is to ensure that the organisation fulfils the objectives agreed upon with the Minister of Basic Education. The Council is ultimately accountable and responsible to the Minister for the performance and affairs of Umalusi. The Council must therefore retain full and effective control over the entity and must

give strategic direction to the management of Umalusi by monitoring Umalusi's fulfilment of its legislative, governance and financial mandates as a public entity.

This annual report serves to account for how the Council exercised its fiduciary and oversight responsibilities over the entity between April 2025 and March 2026. 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 and quality assurance systems, the Council approved several revised organisational policies and regulatory frameworks at its September 2025 and February 2026 meetings. These approvals are intended to strengthen governance and administration in the organisation.

The following are the policies and regulatory instruments that were approved during the reporting period: Financial Management Policy; Overtime Policy; Disciplinary Policy; Information Communications Technology Service Management Policy; Policy for Research in General and Further Education and Training; Fraud and Corruption Prevention Policy; Fraud and Corruption Prevention Strategy. In addition, the Council approved the amended Council

Charter, the Terms of Reference of Executive Committee of Council and the Audit and Risk Committee Charter.

Given the phenomenon of some foreign qualifications and associated curricula being offered in South Africa without registration on the Umalusi sub-framework of qualifications, Council considered and approved a framework for the regulation of foreign or transnational qualifications offered on the General and Further Education Qualifications Sub-framework (GFETQSF), i.e. on Levels 1 to 4 of the NQF, for further consultation with stakeholders. In addition, Council approved the regulatory framework for the accreditation of schools offering alternative curricula on condition that such schools meet the regulated accreditation requirements of Umalusi. This is to safeguard the integrity and credibility of all the qualifications and underpinning curricula.

As a quality council, Umalusi has a legislative obligation to respond to Chapter 9 of the National Development Plan (NDP), focusing on the improvement of education, training and innovation. Umalusi has responded to that in various ways. To ensure that the independent schools and private colleges concerned have the capacity to deliver qualifications registered on the Umalusi sub-framework and are doing so to the expected standards and quality, Council considered and approved the recommendations of the Accreditation Committee of Council (ACC) in relation to accreditation applications by such institutions. Accreditation of private education providers operating within the GFETQSF is in fulfilment of the obligations imposed on the Council by section 29(3) of the Constitution, the amended GENFETQA Act of 2001 and the NQF Act of 2008.

Similarly, Umalusi gazetted the Articulation Policy for Qualifications in General and Further Education and Training to ensure that institutions work together to develop learning pathways. Added to that, Umalusi submitted comments to the Draft Regulations for the Accreditation of Private Assessment Bodies assessing Qualifications registered on the GFETQSF offered at private colleges.

To affirm Umalusi's position that it is a transparent public entity and that its quality assurance processes are open to the scrutiny of peers

nationally, continentally and elsewhere in the world, the year-end standardisation processes were undertaken under the observation of representatives from national and international stakeholder organisations. The observation of the processes by external bodies lends credibility to the process and helps Umalusi to continually enhance its own quality assurance frameworks.

Satisfied that Umalusi oversaw the conduct, administration and management of all assessments administered by the public and private assessment bodies, as part of the assurance of the quality of qualifications that fall within the sub-framework, and that the assessment bodies fully complied with the regulatory prescripts during the reporting period, the Executive Committee of Council (EXCO) approved the release of the results. Concerning identified irregularities, which EXCO determined did not compromise the overall credibility and integrity of the results, EXCO endorsed the relevant assessment body's recommendation to withhold the results of candidates who were implicated in alleged irregularities, pending the outcome of further assessment body investigations and verification by Umalusi.

In terms of its own accountability to government, the Umalusi Council appeared, on numerous occasions, before the Portfolio Committee on Basic Education, the Portfolio Committee on Higher Education, and the Select Committee on Education, Science and Creative Industries to report on its work as the accounting authority.

Council commends Umalusi management and staff for attaining an unqualified audit opinion for the year under review. It further encourages them to redouble their efforts to regain the momentum of achieving unqualified audit opinions without material findings (clean audits) in the years ahead.

Overall, Council is satisfied that 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 all 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.

I would also like to express my sincere thanks and appreciation to the following people who contributed to the success of the entity during the period under review:

- All members of the 6th Umalusi Council and all members of the various Umalusi Council committees who have given so freely and so generously of their time, energy and wisdom over the past four years. Their diligence in the performance of their fiduciary duties contributed to ensuring that Council made good-faith decisions that put the best interests of Umalusi in alignment with the mandate to continuously improve the quality of education in South Africa's general and further education and training sectors.
- The Minister of Basic Education, Ms Gwarube, the Minister of Higher Education and Training, Mr Buti Manamela, and the Portfolio Committees on Basic Education and on Higher Education and Training, for their unwavering support and guidance to the Umalusi Council.
- The Director-General of Basic Education, Mr Mathanzima Mwel, and the Director-General of Higher Education and Training, Dr Nkosinathi Sishi, whose critical support for the work of Umalusi is a source of inspiration and strength.
- All the staff of Umalusi, under the leadership of Dr Rakometsi and his executive management team, for their continued dedication, loyalty, professionalism and hard work. It is our view that their commitment to service excellence and dedication fills the country with pride.
- The broad stakeholders that Umalusi directly and indirectly worked with, including education providers, assessment bodies, institutions of higher learning, verification clients, the public, NQF partners, among others, for contributing with excellence to the success of Umalusi.

To continue monitoring Umalusi's performance, governance arrangements and financial management processes, the 7th Council will be guided by the June 2022 to June 2026 Handover Report prepared by the 6th Umalusi Council. This report provides the record of the governance work undertaken during the previous Council's term and highlights the strategic considerations that require continued oversight as Umalusi transitions fully into the 2024–2029 Medium-

Term Development Plan (MTDP). At the same time, Council commits to carrying out Umalusi's objectives, as agreed upon with the Minister of Basic Education from time to time, in conjunction with the approved 2025–2030 Strategic Plan of Umalusi.

On behalf of all members of the 7th Umalusi Council, I express my sincere thanks and appreciation to Ms Gwarube for entrusting us with the responsibility to serve the country as Umalusi councillors over the next four years. Council welcomes the appointment of the Honourable Mr Yusuf Cassim as the new Deputy Minister of Higher Education and Training and wishes him success in his new role.



Professor TP Msibi

Umalusi Council Chairperson

31 July 2026





Dr MS Rakometsi
Umalusi Chief Executive Officer

4. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

I am pleased to present this 2025/26 Annual Report of Umalusi. The report is published in the year that marks a significant point in the life of Umalusi, for two reasons. First, the year 2026 is the 25th anniversary of Umalusi. The organisation came into being on 5 December 2001 through the passage of the General and Further Education and Training Quality Assurance (GENFETQA) Act (Act No. 58 of 2001), as amended. Second, having been prepared during the term of office of the 6th Umalusi Council, whose Chairperson and Deputy Chairperson were Professors Yunus Ballim and Thabo Msibi, respectively, this annual report is published when the new Council has just assumed office, under the chairpersonship of Professor Thabo Msibi.

The organisation is a Schedule 3A public entity as listed in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), as amended. During the financial year under review, Umalusi committed to achieve 16 performance targets, as outlined in the 2025/26 annual performance plan (APP), to ensure that the organisation continued to fulfil its legislative mandate. Umalusi achieved 15 of those performance targets, resulting in an overall performance of 93.8%. The unachieved target was occasioned by the network downtime for four days and unexpectedly high volume of verification requests.

To strengthen governance and administration in the organisation, management reviewed various policies and procedure manuals and submitted these to Council for approval.

Included were the Financial Management Policy; Overtime Policy; Disciplinary Policy; Fraud and Corruption Prevention Policy; Fraud and Corruption Prevention Strategy; Fraud and Risk Register; Umalusi Promotion of Access to Information Act (PAIA) Manual; and the Information Communications Technology Service Management Policy. In addition, management reviewed and submitted for Council's approval the Council Charter; Terms of Reference of Executive Committee of Council; and the Audit and Risk Committee Charter. The review and revision of these policies were undertaken to ensure that organisational policies remained current.

In accordance with the mandate assigned by the National Qualifications Framework (NQF) Act (No. 67 of 2008), as amended, to develop and manage the General and Further Education and Training Quality Assurance Sub-framework (GFETQSF) at NQF Levels 1-4, Umalusi accredited qualifying educational institutions, conducted quality assurance of qualifications, curriculum, assessments, issued certificates of learning achievements to qualifying learners and conducted research to inform quality assurance frameworks. Below I reflect briefly on the work undertaken on the different mandated areas of Umalusi's work.

QUALIFICATIONS:

In compliance with Government Gazette 49518, the National Accredited Technical Education Diploma (NATED) N2 and N3 programmes

were phased out of Umalusi's sub-framework of qualifications. The last examination cycles were, respectively, in April 2025 and November 2025. On the other hand, effective from November 2025, Umalusi ceased quality assurance and certification of the National Certificate (Vocational) [NC(V)] Levels 2 and 3 examinations, owing to their internalisation as per Government Gazette 53015. There are currently five active qualifications on the sub-framework, namely the General Education and Training Certificate: Adult Basic Education and Training (GETC: ABET), NC(V) L4, NATED, Senior Certificate (as amended) and National Senior Certificate (NSC).

EVALUATION AND ACCREDITATION:

During the year under review, the Accreditation Committee of Council made 249 recommendations with respect to applications by independent schools and private colleges. This quality assurance process ensures that institutions that offer Umalusi qualifications have the capacity and systems in place to provide appropriate teaching and learning.

QUALITY ASSURANCE OF ASSESSMENT:

Umalusi undertakes quality assurance of assessments (institution-based assessments and external examinations) to ensure the credibility of the qualifications on the sub-framework. Umalusi has carried out the external moderation of all the national assessments administered in April, mid-year, August and at the end of the year. That includes 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 the standardisation of learner results. Based on the outcomes of its quality assurance processes and to confirm that any assessment leading to certification was of the required standard across all qualifications, Umalusi approved the release of candidates' results.

CERTIFICATION AND VERIFICATION:

In fulfilment of its certification mandate, Umalusi printed more than 1.15 million certificates of learning achievements during the financial year. Additionally, the organisation issued more than 46 000 replacement certificates through the online certificate replacement system. The organisation verified approximately 450 000 certificates.

RESEARCH:

To ensure continuous improvement of the quality and standards in the sub-framework, Umalusi

conducted a literature review study to compare quality assurance models used by a selection of international quality assurance organisations. Umalusi continued with its annual research project of comparing the quality and standards of the current set of NSC examinations with the previous ones to maintain and improve assessment standards in a selection of subjects across three assessment bodies. Using a selection of conference papers from the 40th Association for Educational Assessment in Africa (AEAA) Conference, hosted by Umalusi on 19-22 August 2024, the organisation produced, as part of knowledge management, a peer-reviewed conference proceedings document, titled "The 17th Volume of the Journal of the Association for Educational Assessment in Africa".

STAKEHOLDER ENGAGEMENTS:

As directed by its founding acts to inform stakeholders about its sub-framework, Umalusi engaged various national and international stakeholders to inform them about its legislative mandate. Internationally, Umalusi hosted high-powered delegations from different education authorities across the African continent during study visits in the year under review.

The delegations represented: Eswatini Qualifications Authority (EQA); Examinations Council of Eswatini (ECESWA); National University of Lesotho (NUL); Examinations Council of Lesotho (ECOL); The Republic of Gambia's Ministry of Higher Education, Research, Science and Technology; Ministry of Education, Innovation, Youth, Sports, Arts and Culture of Namibia; Uganda National Examinations Board (UNEb); Technical and Vocational Education and Training (TVET) of Tanzania; Uganda Vocational and Technical Assessment Board (UVTAB); Uganda's Ministries of Education, Gender, Labour and Social Development; Uganda's National Curriculum Development Centre (NCDC) and Kyambogo University in Uganda. Nationally, Umalusi engaged with the Deans of Education Faculties and with University registrars representing 26 public universities. The pluses of all these initiatives are that they have deepened the understanding of stakeholders about the mandate of Umalusi.

INFORMATION COMMUNICATION TECHNOLOGY ENVIRONMENT:

Umalusi implemented a new financial management system (Sage Intacct) to enhance its financial management processes. Similarly, the organisation succeeded in migrating its telephone system to Microsoft Teams, resulting in a decline in communication costs.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY:

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. Accordingly, Umalusi continued with its determination to manage state resources economically and transparently, in accordance with the provisions of the PFMA. Umalusi derives its income from a baseline grant from the Department of Basic Education (DBE) and fees charged for accreditation, certification and verification services. Despite the constrained economic environment under which Umalusi operated, the financial year ending 31 March 2026 experienced an increase of 5.8% in total budgeted revenue. The details are contained in the financial section of this report.

AVAILABLE RESOURCES AND ACHIEVEMENT LEVELS:

During the year under review Umalusi had a total revenue of R240.3-million and a total staff complement of 155 positions and nine fixed-term contract employees. With the available resources, Umalusi met 15 of its 16 performance targets, thereby translating to an achievement rate of 93.8%, as already reported at the beginning of this section. In terms of audit outcome, Umalusi achieved an unqualified audit opinion. These levels of achievement were enabled by management's judicious use of the public resources provided to Umalusi to discharge its legislative mandate. Having achieved its targets, Umalusi contributed to the enhancement of educational standards at the general and further education and training levels.

WORDS OF APPRECIATION:

It is the collective belief of Umalusi management that without committed and dedicated staff, Umalusi would not have been able to successfully deliver on its mandate, including the achievement of unqualified audit outcomes. I would like to thank the permanent and fixed-term contract employees of Umalusi for their hard work, commitment and dedication. Their maintenance of a high standard of professional ethics and their dedication and service to the organisation leaves us in their debt.

My heartfelt gratitude goes to the 6th Umalusi Council, under the chairpersonship and deputy chairpersonship of Professors Yunus Ballim and Thabo Msibi respectively, and members of the different committees of Council for their continued support of the mandate of Umalusi. Appreciation

is also expressed to members of the seventh Umalusi Council and committees of Council who played oversight role during the finalisation of this annual report. I wish them continued success in the future as we work together to build a stronger South African education system, for everyone. At the same time, I am hugely indebted to the Ministers responsible for Basic Education and Higher Education and Training, as well as the respective Directors-General, for the support provided to Umalusi in various ways.

Acknowledging that the Council is responsible for maintaining full and effective control of Umalusi while providing strategic direction to management, the Umalusi management is looking forward to working with the 7th Council, under the chairpersonship of Professor Thabo Msibi, as it constantly reviews Umalusi's policy framework and strengthens internal governance and quality assurance systems over the next four years.

I wish everyone continued success in our journey of the next four years, leading to 2030.



Dr MS Rakometsi

Umalusi Chief Executive Officer

31 July 2026



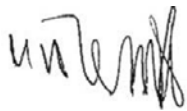
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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 PricewaterhouseCoopers Inc.
- 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 F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) 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 that 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 2026.

Yours faithfully



Dr MS Rakomeksi

Umalusi Chief Executive Officer

31 July 2026



Professor TP Msibi

Umalusi Council Chairperson

31 July 2026

6. STRATEGIC OVERVIEW



VISION

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



MISSION

To assure education standards in general and further education and training.

Table 1: Umalusi values

	TRANSPARENCY Umalusi's processes are available for public scrutiny.
	PROFESSIONALISM Umalusi employees provide services and interact with stakeholders with excellence.
	INTEGRITY Umalusi conducts its operations honestly and ethically.
	RELIABILITY Umalusi uses consistent procedures in its quality assurance.
	IMPARTIALITY Umalusi maintains equal treatment of standards to all stakeholders.

7. LEGISLATIVE AND OTHER MANDATES

Umalusi is listed as a Schedule 3A public entity in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

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:

- Do not discriminate on the basis of race;
- Are registered with the state; and
- Maintain standards that are not inferior to standards at comparable public education institutions.

7.2 LEGISLATIVE AND POLICY MANDATE

National Qualifications Framework (NQF) (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 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) Development and maintenance of 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.

Concerning the quality assurance of private provision and assessment, Umalusi is required to undertake the following accreditation responsibilities, as outlined in Chapter 3, 23(2):

- 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; and Affirm, or withdraw, accreditation status of the private education institution concerned.

7.3 OTHER LEGISLATION

- a) National Education Policy Act (NEPA) (Act No. 27 of 1996);
- b) The South African Schools Act (SASA) (Act No. 84 of 1996), as amended; and
- c) Continuing Education and Training 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:

- a) The General and Further Education and Training Qualifications Sub-framework: 2014;
- b) Guidelines on Strategy and Priorities for the NQF 2011/2012: Minister of Higher Education and Training;
- c) National policies governing existing qualifications (including their assessment) that are currently certificated by Umalusi;
- d) Standard setting and quality assurance of the General and Further Education and Training Qualifications Sub-framework: Umalusi, 2014;
- e) 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) and the National Curriculum Statement (NCS); and any other qualifications on the GFETQSF, as applicable;
- f) Council policies and directives on the conduct, administration and management of the assessments for qualifications on the GFETQSF;
- g) 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;
- h) The policy and criteria for the development, registration and publication of qualifications on the GFETQSF;
- i) The Policy for the Re-issue of National Certificates;
- j) The Recognition of Prior Learning (RPL) Policy;
- k) Treasury Regulation;
- l) Any other appropriate legislation related to the various education and training sectors in which Umalusi is mandated to work.

8. ORGANISATIONAL STRUCTURE

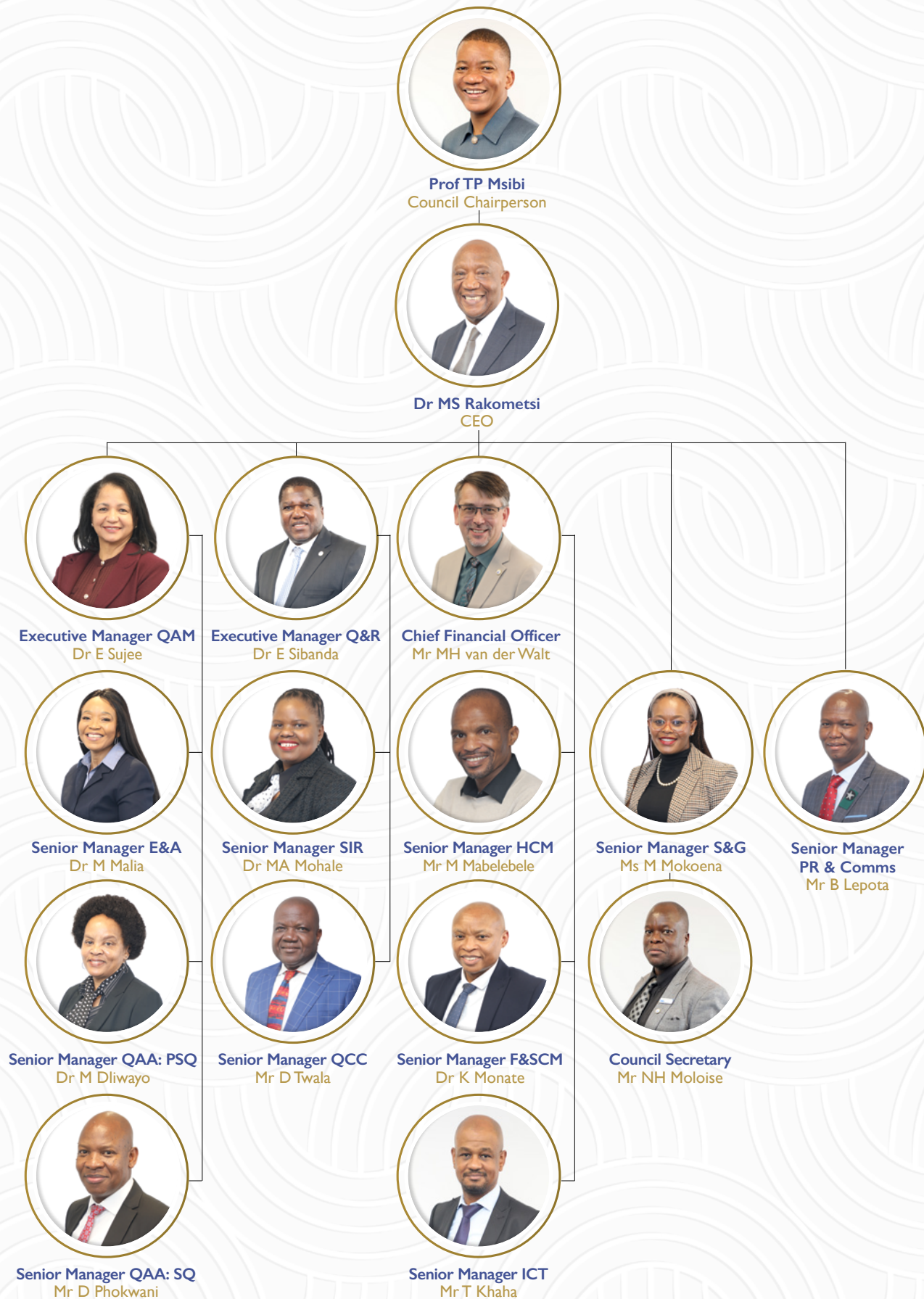
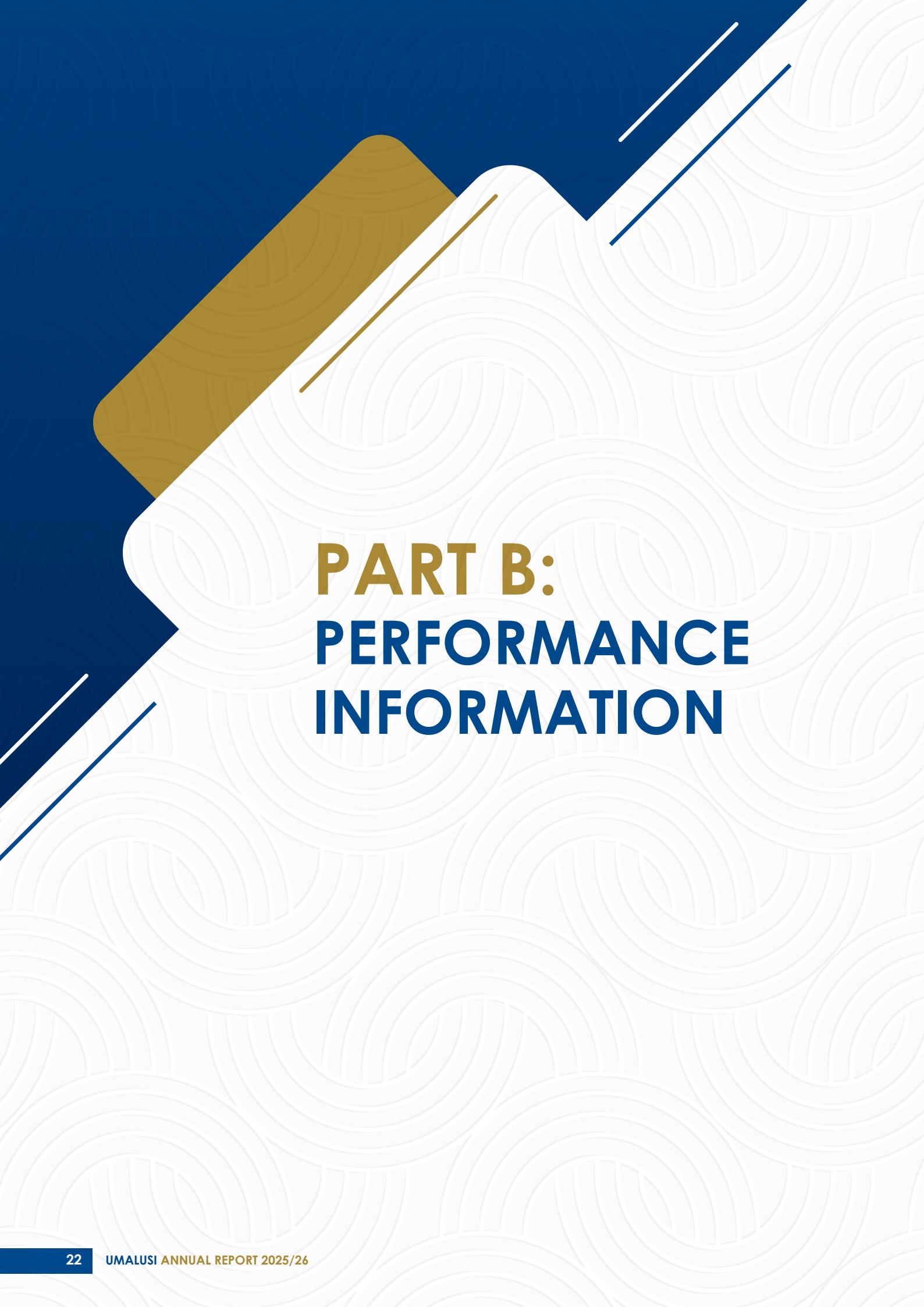


Figure 1: Umalusi Organisational Structure

The background features a light gray field with a pattern of concentric circles. Overlaid on this are dark blue geometric shapes, including a large triangle in the top left and a smaller one in the bottom left. A gold-colored parallelogram is positioned diagonally across the upper left. Several thin, parallel lines in white and blue are scattered across the composition.

PART B: **PERFORMANCE** **INFORMATION**

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The external auditor currently performs certain audit procedures on the performance information. The level of assurance provided may be reasonable (an opinion), or limited (a conclusion), or none (findings), as predetermined by the AGSA. Assurance in the form of an audit opinion or conclusion on the usefulness and reliability of the reported performance information is currently included in the management report. Material findings are reported in the auditor's report.

Refer to page 131 of the Report of the Auditors, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

The 2025/26 financial year marked the start of the organisation's 2025 – 2030 Strategic Plan implementation. During this period, the organisation focused on five priority areas:

- a) Reviewing quality assurance approaches;
- b) Evaluating and appraising qualifications;
- c) Providing input to the legislative framework;
- d) Intensifying research on aspects of the sub-framework; and
- e) Sharpening advocacy work in respect of the mandate of Umalusi.

The following section presents the performance in managing quality assurance in the general and further education and training sector for the year under review, with comparisons to performance of the previous financial years.

Certification and Verification of Qualifications

Qualifications

Umalusi's mandate includes ensuring the development and management of qualifications on the GFETQSF. This involves evaluating and appraising new and existing qualifications, reviewing new and updated curricula and advising the relevant Ministers of Education accordingly.

Umalusi is in the process of auditing qualifications on its sub-framework. The audit of qualifications forms a critical component of Umalusi's quality assurance mandate, serving as a systematic review of the integrity, validity and credibility of qualifications registered on the GFETQSF.

During the 2025/26 financial year, Umalusi conducted an audit of the National Accredited Technical Education Diploma (NATED) N2-N3 Engineering Programmes, whose last examinations were written in April 2025 and November 2025, respectively. Although phased out, Umalusi conducted the audit with the aim of ensuring that the footprint of the NATED N2 and N3 Engineering Programmes within the education system was recorded.

Following the gazetting of the internalisation of the National Certificate (Vocational) [NC(V)] Levels 2 and 3 examinations by the Department of Higher Education and Training (DHET), Umalusi ceased quality assurance and certification of the two qualifications, effective from November 2025.

Additionally, the Articulation Policy for Qualifications in the GFETQSF was gazetted for implementation.

Certification

Umalusi fulfilled its mandate and issued 1 155 761 certificates from 1 April 2025 to 31 March 2026. This number includes the overflow from the 2024 cohort of candidates who were not certified in the 2024/25 financial year; and candidates who wrote the June 2025 examination. Certification is the formal recognition of a qualification awarded to the successful candidate. This is reflected in Figure 2.

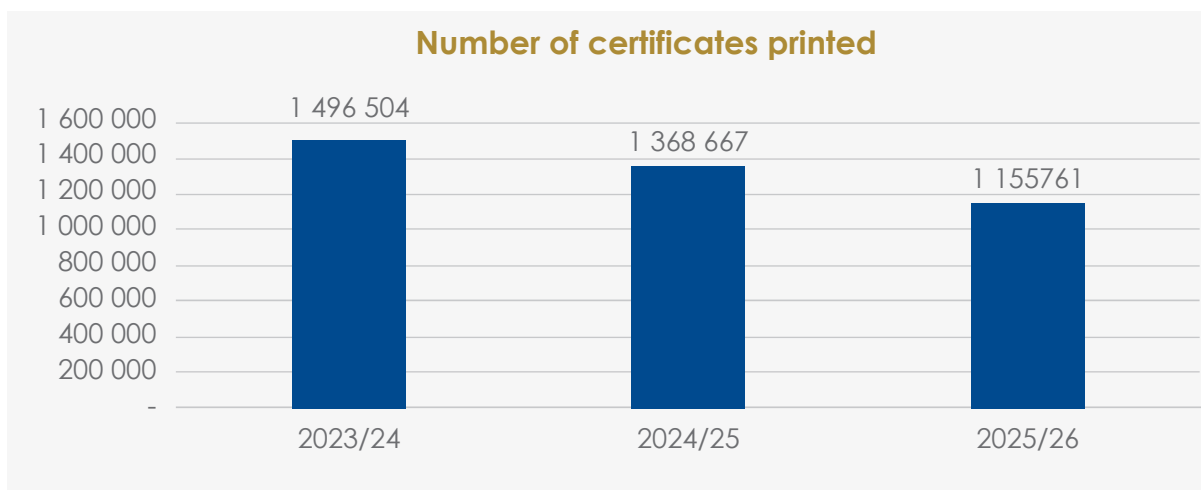


Figure 2: Certification statistics for 2023/24 – 2025/26

Online certificate replacement system

Umalusi developed and implemented an online application system for the replacement of lost or damaged certificates in the 2022/23 financial year. The purpose of this system is to provide effective and efficient service to candidates who need to replace certificates. Enhancements to the online system are being made regularly to improve the system's effectiveness. Future enhancements will focus on integration with the courier company to improve the delivery time and communication with candidates via SMS services.

The online certificate replacement system has issued 46 741 certificates to date (since inception of the online system). In the last financial year 21 664 replacement certificates were issued. The demand for this service has grown rapidly.

As a result, enquiries, couriering and collection of certificates have also increased. This has put a strain on the existing capacity constraints to deliver fully on this.

Verification

Verification is the process Umalusi follows to establish the authenticity of qualifications/certificates. Verification includes authenticating the qualification 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 2025/26 totalled 449 462; this includes 8 375 manual confirmations, 414 227 e-verifications and 26 860 full verifications. Figure 3 shows the trend over the last three financial years.

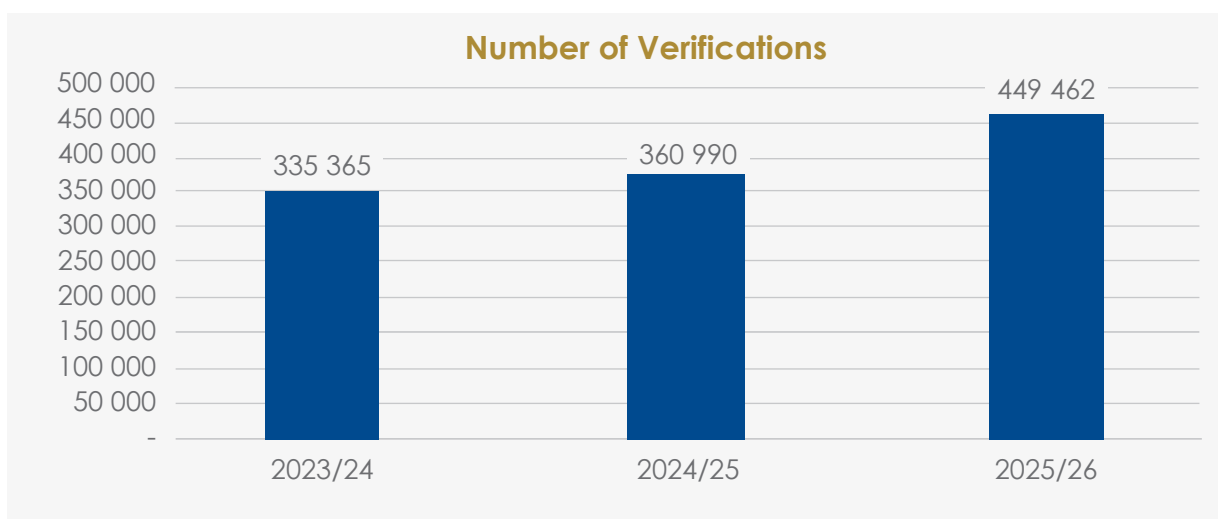


Figure 3: Verification statistics for 2023/24 – 2025/26

Quality Assurance of Assessment

Since its establishment Umalusi has carried out quality assurance of assessment (QAA) processes as part of its core mandate for all qualifications within its sub-framework. These processes include moderating question papers; monitoring sites for site-based assessments (SBA), integrated summative assessment tasks (ISAT), practical assessment tasks (PAT) and internal continuous assessments (ICASS); overseeing the writing and marking of examinations at various centres; verifying marking; auditing the readiness of assessment bodies to conduct examinations; and engaging in other quality assurance-related activities.

These activities are conducted across all qualifications registered on the GFETQSF and across all assessment bodies; namely the Department of Basic Education (DBE), Department of Higher Education and Training (DHET), Independent Examinations Board (IEB) and South African Comprehensive Assessment Institute (SACAI).

Figures 4 to 7 illustrate selected QAA processes undertaken by Umalusi over the past three years.

Moderation of question papers

Umalusi moderates question papers for all qualifications registered on the GFETQSF to ensure they meet the required standards. This process guarantees that the papers are valid, fair and reliable.

In the 2023/24 financial year Umalusi moderated and approved 528 NSC question papers from the DBE, IEB and SACAI. This number increased by 41 to 569 in 2024/25, primarily due to the need for additional question papers to:

- Accommodate candidates who missed examinations due to unforeseen circumstances;
- Replace compromised question papers; and
- Substitute banked question papers that had already been utilised.

In 2025/26, the number of approved question papers declined to 548 compared to 2024/25, reflecting a reduced need for such interventions as the frequency and extent of these factors decreased.

The DHET's June and November 2023/24 General Education and Training Certificate: Adult Basic Education and Training (GETC: ABET) examination question papers were moderated and approved 18 months before the commencement of the examinations. The number of question papers moderated and approved for post-school qualifications decreased from 551 in 2023/24 to 548 in 2024/25. The decrease was due to the use of the GETC: ABET backup question papers and, unlike in 2023/24, there were no additional learning areas assessed by the IEB for GETC: ABET during the mid-year examinations.

In 2025/26 there were 362 post-school qualifications question papers externally moderated, compared to 548 in 2024/2025. The decrease was attributed to the phasing

out of the NATED Report 190/191 Engineering N2-N3 Programmes, the internalisation of the NC(V) Level 2 and Level 3 examinations and the reduction of the IEB GETC: ABET examinations.

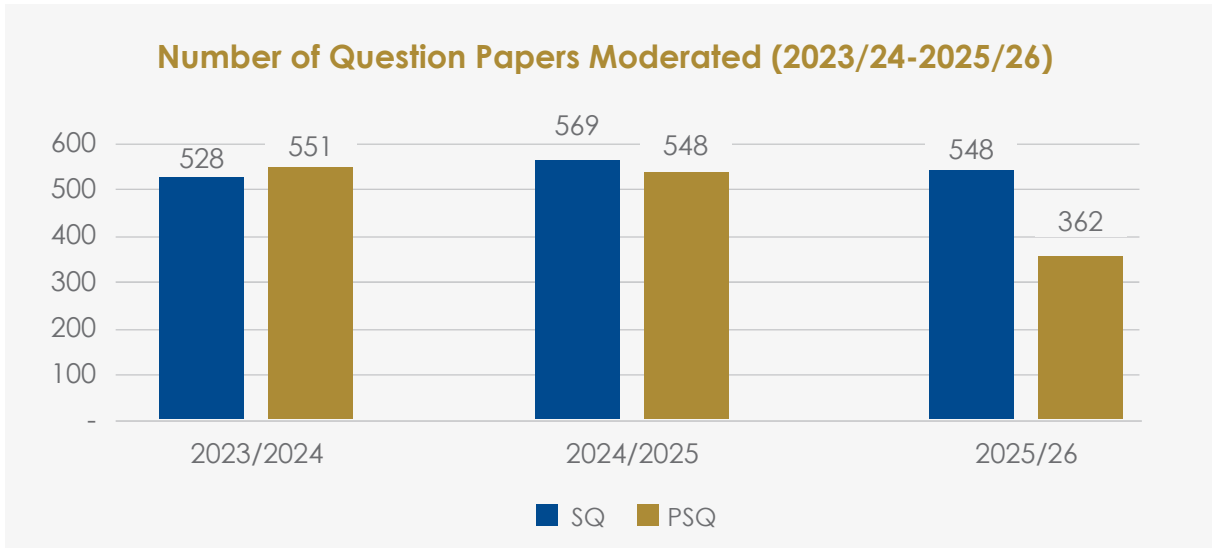


Figure 4: Number of question papers moderated (2023/24 – 2025/26)

Monitoring the writing of examinations

Umalusi conducts oversight monitoring of examination writing for qualifications registered on the GFETQSF at selected examination centres. The purpose is to assess whether the assessment bodies conduct, administer and manage examinations in line with the regulations governing national examinations. This ensures the credibility of the assessment process and the production of valid and reliable results.

During the 2024/25 financial year, the Schools sector recorded a moderate increase in the number of monitored examination centres, rising from 462 in 2023/24 to 580. This upward trend aligned with Umalusi's strategic objective of progressively expanding monitoring coverage on an annual basis.

However, this positive trajectory was not sustained in the 2025/26 financial year, when the number of monitored centres declined significantly, from 580 to 381. Consequently, the anticipated annual incremental growth was not achieved, indicating a deviation from the organisation's strategic target.

This decline may, in part, be attributed to budget constraints, which likely limited the extent of monitoring activities that could be undertaken.

Overall, the data reflects a shift from initial growth to a notable contraction in monitoring coverage, with financial limitations emerging as a key contributing factor.

The number of centres monitored for the writing of examinations in the Post-School sector declined from 315 in 2023/24 to 289 in 2024/25, primarily due to budgetary constraints. However, a sharp increase was noted in 2025/26 wherein 378 examination centres were monitored. This increase was as a result of intensified close monitoring of the DHET following lapses identified in the previous examination cycle. In addition, during this period the number of centres monitored increased across both School and Post-School sectors' qualifications, as nine end-of-year national examinations were conducted by four assessment bodies.

Figure 5 summarises the number of examination centres monitored.

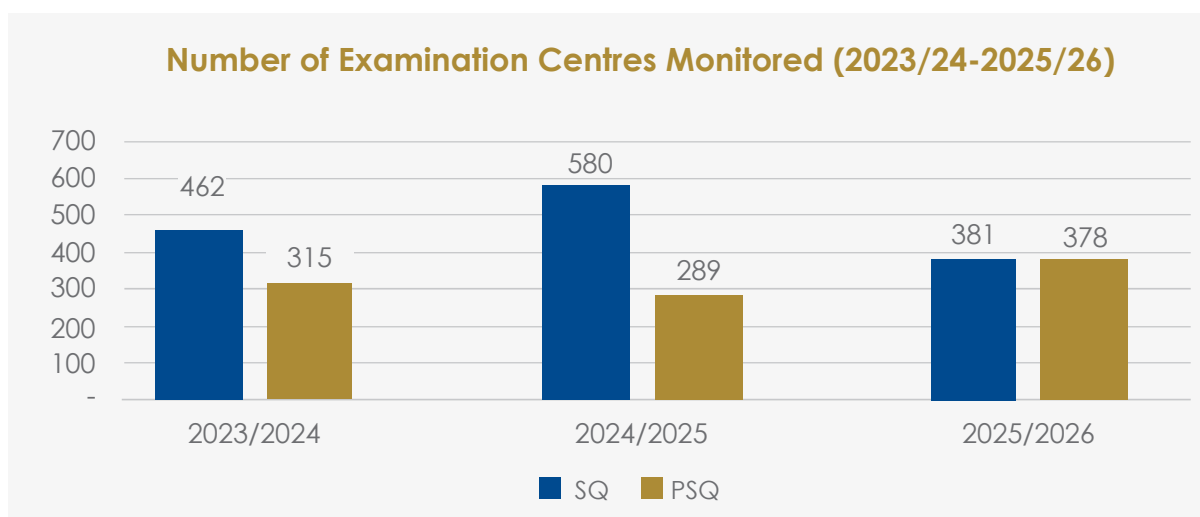


Figure 5: Number of examination centres monitored (2023/24 – 2025/26)

Monitoring of marking centres

Umalusi monitors the marking of examinations administered by the DBE, DHET, IEB and SACAI to ensure that marking standards are upheld and that the process complies with regulations governing the conduct, administration and management of national examinations. This oversight helps maintain the integrity and credibility of the marking process and ensures consistent application of national standards.

In the 2023/24 financial year, Umalusi monitored 43 marking centres in the Schools sector. This increased to 53 centres in 2024/25, reflecting an absolute growth of ten centres (approximately 23.3%). This represents the highest level of monitoring coverage over the three-year period and demonstrates a strong upward trajectory aligned with Umalusi's strategic objective of progressively strengthening the verification of marking centre readiness.

In 2025/26, monitoring declined slightly to 52 centres (a 1.9% decrease), indicating a marginal contraction. However, coverage remained largely stable and well above the 2023/24 baseline. Overall, the trend reflects significant growth followed by stabilisation at a high level, sustaining Umalusi's commitment to strengthening quality assurance in marking processes.

The monitoring of the marking centres in the Post-School sector decreased slightly, from 42 in 2023/24 to 41 in the 2024/25 financial year, because of the merging of two marking centres by the DHET in November 2024. For the period 2025/2026, the number of examination centres further declined, from 41 in 2024/2025 to 35. This was due to the reduction of marking centres by the DHET as a result of the internalisation of NC(V) Levels 2 and 3 and the phasing out of the NATED Report 190/191 Engineering Studies N2-N3 programmes.

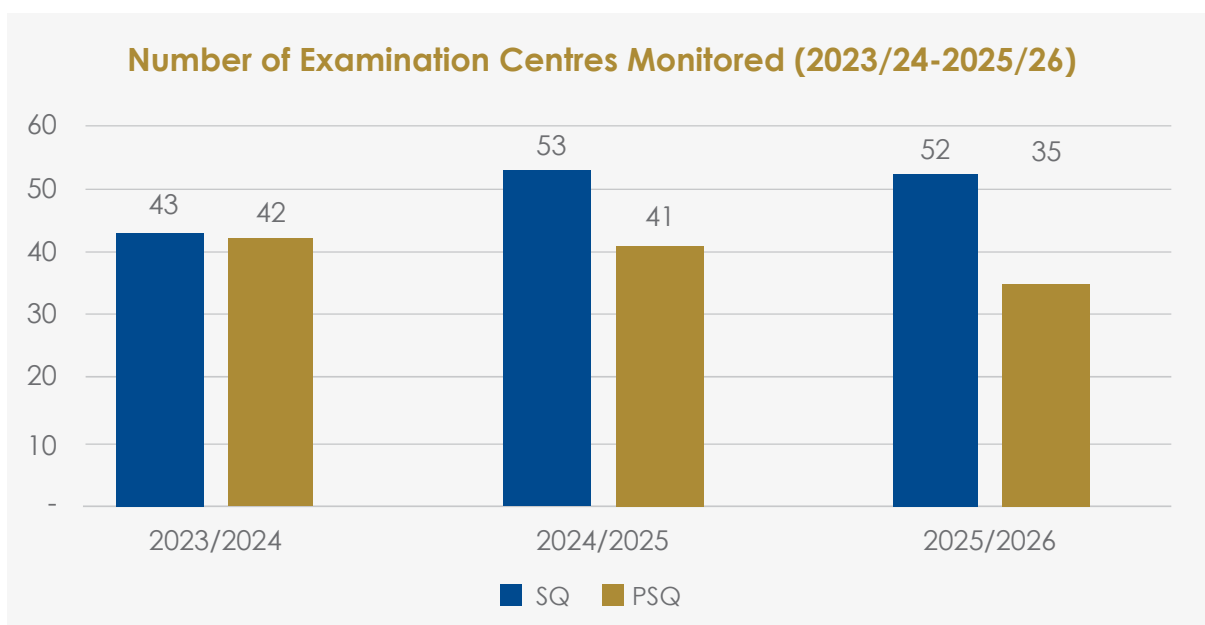


Figure 6: Number of marking centres monitored (2023/24 – 2025/26)

Verification of marking

Umalusi conducts verification of marking to ensure that the assessment bodies mark the candidates' scripts according to the approved marking guidelines and that the standard of marking is consistent and fair. Umalusi has conducted verification of marking for all NSC examinations undertaken by the SACAI, IEB, and DBE during the 2025/26 financial year (FY).

In the Schools sector, the number of subjects for which marking was verified increased from 92 in 2023/24 to 95 in 2024/25, and this level was sustained in 2025/26. This steady expansion underscores Umalusi's continued commitment to strengthening its oversight. Importantly, this progress was achieved despite financial constraints arising from budget reductions and austerity measures.

In the first quarter of the 2025/26 financial year, Umalusi verified the marking of six IEB subjects, consistent with the corresponding period of the previous year. In Quarter 2, this number increased to 27 subjects, covering the June examinations conducted by the SACAI and DBE. In Quarter 3 Umalusi verified the marking of 37 DBE subjects, 15 SACAI subjects and ten IEB subjects for the November 2025 NSC examinations.

The period 2024/25 saw a decrease in the number of subjects for Post-School qualifications for which the verification of marking was conducted, from 234 in 2023/24 to 187 in 2024/25. This was the result of a lack of enrolments in one learning area of the GETC: ABET and the decrease in centres that offered NATED subjects, due to the phasing out of NATED 190/191 N2-N3 programmes. However, in 2025/2026, 211 subjects were verified compared to 187 in 2024/2025, due to an increased sample size in the NC(V) Level 4 programmes.

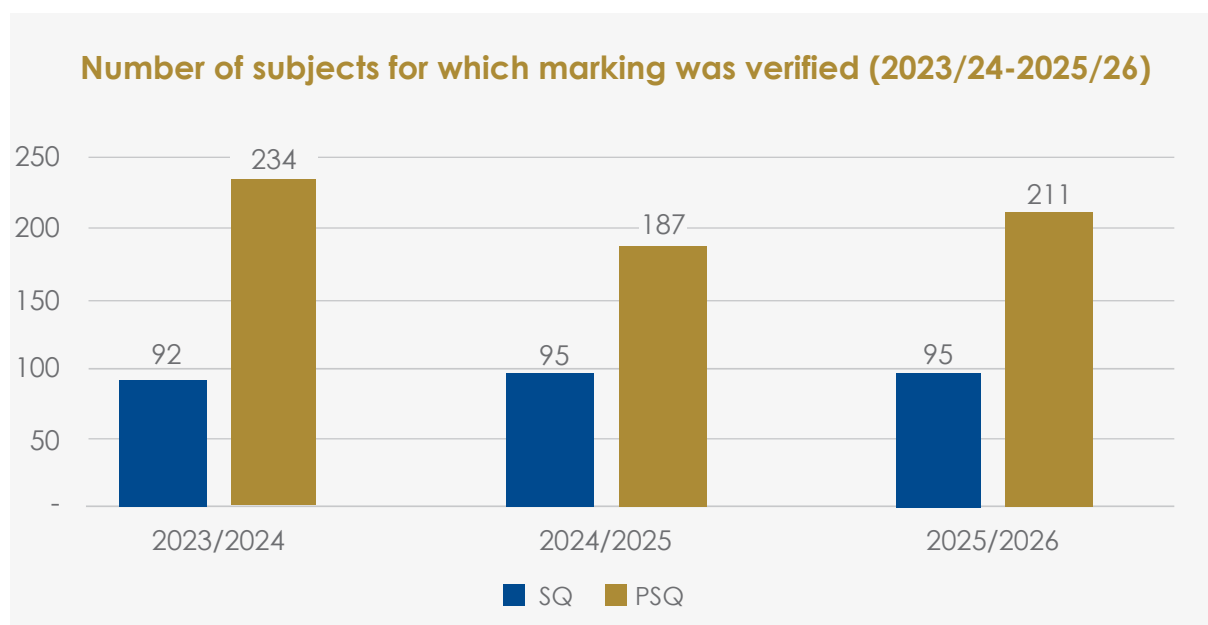


Figure 7: Number of subjects for which marking was verified (2023/24 – 2025/26)

Evaluation and Accreditation

Accreditation of private education institutions

To ensure the delivery of quality qualifications registered on the GFETQSF at private education institutions, the Accreditation Committee of Council (ACC) made 249 recommendations with respect to applications by independent schools and private colleges for the financial year under review.

The scoped accreditation process has been fully implemented on the online accreditation system. This marks a significant milestone, as the system now enables end-to-end management of the accreditation process, from registration to accreditation outcomes and reporting.

The system incorporates key functionalities, including site visit management, payment processing, task allocation, accreditation outcomes with audit trails, and integrated reporting. In addition, automated email notifications have been embedded across all process steps, alongside functionality to support reapplications and the allocation of subject specialists.

While this phase concludes the implementation of the scoped online accreditation process, certain components, such as monitoring, extension of scope and improvement plans,

remain outside the current scope and will be addressed in subsequent phases once formally defined. Post-implementation testing and system enhancements will continue, with the migration of institutions from the legacy system planned for the 2026/27 financial year.

In preparation for full utilisation of the system, refresher training will be conducted in the 2026/27 financial year to further ensure readiness and alignment with the enhanced functionalities.

2.2 ORGANISATIONAL ENVIRONMENT

Umalusi is listed as a Schedule 3A public entity in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). It is governed by the General and Further Education and Training Quality Assurance Act, Act No. 58 of 2001, as amended. According to the Act, Umalusi is required to have a Council consisting of 15 members appointed by the Minister. During the year under review, the organisation had a complete council of 15 members, along with four ex-officio members, the Chief Executive Officers of the quality councils. All scheduled Council meetings for the year were successfully held as planned. The Council maintained effective control over Umalusi and provided strategic direction for its management.

Staffing matters

Umalusi's approved establishment increased from 151 to 155 positions in December 2025. By the end of the financial year, 146 posts were filled, with nine vacancies remaining. Despite these vacancies, service delivery was not adversely affected, as staff continued to perform effectively and ensured that organisational targets were achieved. To alleviate workload pressures during this period and further support service delivery, a total of nine fixed-term contract employees were appointed.

Financial matters

Umalusi's total revenue collection for the 2025/26 Financial Year (FY) exceeded the budget by 5% (R11.8 million). The budget for the year was R228.5 million, and the actual collection was R240 million. The budget was adjusted from R218 million to R228.5 million in March 2026. The increase in revenue collection was driven by own revenue (accreditation, certification, verification, and quality assurance fees), which exceeded the budget by 23.9% (R12.9 million). Actual collection was R66.9 million against a budget of R54 million. The budget for own revenue was adjusted from R43.8 million to R54 million in March 2026.

Umalusi's total expenditure exceeded the budget by 3.5% (R8 million). The increase was mainly due to the S&T and compensation. The actual expenditure was R236.5 million against the budget of R228.5 million. The expenditure budget was adjusted from R218 million to R228.5 million in March 2026.

Information Communication Technology (ICT) environment

Digitalisation remains a critical enabler of organisational efficiency and Umalusi continues to leverage this to enhance its operations. During the reporting period, the ICT function ensured that the organisation operated effectively and efficiently. This was achieved through the enhancement of communication systems, including the migration of the telephone system to Microsoft Teams, which contributed to the reduction of communication costs.

In addition, the completion and implementation of the accreditation system provided a streamlined and efficient platform for private institutions to submit applications for accreditation. Furthermore, Umalusi, in collaboration with the Presidency, initiated a

project to digitalise Matric certificates as part of the MyMzansi (Digital Wallet) system. This initiative is aimed at enabling members of the public to access critical documents in a secure and convenient manner.

Significant developments during the year

Umalusi implemented a new financial management system (Sage Intacct), effective from 1 April 2025 to automate and enhance supply chain management processes and improve financial management and reporting.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

In this reporting period the NATED N2-N3 Engineering Programmes were phased out, with the final examination cycles conducted in April 2025 for NATED N2 and November 2025 for NATED N3. The NC(V) qualification also underwent a significant reform, with NC(V) Levels 2 and 3 discontinued as exit levels. This development resulted in Umalusi ceasing all quality assurance processes, certification and the loading of data on the National Learners' Records Database (NLRD) for these levels. The NC(V) has subsequently been restructured into a single three-year qualification with one exit point at NQF Level 4.

The standard operating procedures for the implementation of policies governing the accreditation and monitoring of independent schools and private colleges (Version 13) were reviewed during the reporting period. A key outcome of this review was the revision of the fee structure for monitoring services, transitioning from biennial to annual payments. Furthermore, the invoicing of accreditation fees was aligned to the start of the financial year, replacing the previous practice of invoicing on the date of accreditation.

This adjustment was necessitated by the increasing number of accredited institutions and the variation in accreditation cycles, which rendered the manual tracking of biennial fee payments increasingly complex and administratively burdensome. The introduction of annual fees is therefore intended to enhance operational efficiency, improve financial tracking and reduce administrative pressure on the organisation.

2.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Table 2: Impact statement

Impact statement	Relevant and credible qualifications that position candidates to access economic and higher education opportunities whilst preparing them to be responsible, active citizens.
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Safeguarding the relevance, competitiveness and integrity of qualifications on the GFETQSF remains a critical responsibility for Umalusi. This responsibility is increasingly challenged by emerging developments, such as online schooling, over which the organisation has limited regulatory control, and where uncertain tuition practices may undermine qualification credibility. Against this backdrop, Umalusi's continued evaluation and accreditation of compliant private institutions remain essential to protecting and strengthening the credibility of qualifications on the sub-framework.

Quality assurance of assessment processes and activities undertaken during the year under review provided clear evidence of compliance with prescribed standards and informed the directives for improvement issued by Umalusi to assessment bodies. Where non-compliance was

identified, the organisation maintained focused oversight and provided policy and regulatory guidance to support implementation at the school and district levels.

Umalusi also continuously monitored the implementation of directives issued following provincial state of readiness evaluations and provided schools with institution-specific reports.

There are currently five qualifications that are active on the GFETQSF, namely, the SC (a), NSC, GETC: ABET Level 4, NC(V), and NATED. Umalusi continually evaluates and reviews aspects of these qualifications to improve areas of concern. Notably in this reporting period, the NATED N2-N3 Engineering Programmes were phased out, with the last examination cycle for NATED N2 in April 2025 and for NATED N3 in November 2025.

The NC(V) qualification also underwent a significant change, with NC(V) Levels 2 and 3 discontinued as exit levels, leading Umalusi to cease all quality assurance processes, certification and the loading of data on the NLRD in respect of those qualifications. The NC(V) is now a single, three-year qualification with one exit at NQF Level 4.

Table 3 shows progress made toward achieving the two outcomes: efficient and effective administrative systems and enhanced educational standards.

Table 3: Progress made towards the outcomes

Outcome	Outcome indicator	Baseline	Five-year target	Progress made towards the outcome indicators
1. Efficient and effective administrative systems	1.1 Number of unqualified audit opinions with no material findings obtained	Two clean audit outcomes (2020/21 and 2021/22) and two unqualified audit outcome opinions (2022/23 and 2023/24)	5	The 2025/26 financial year marked the commencement of the implementation of the organisation's 2025 – 2030 Strategic Plan. During this period, Umalusi achieved an unqualified audit opinion for the 2024/25 Annual Report, with no material findings. This achievement is attributed to the implementation of effective performance management measures, which enabled the organisation to validate, store and report credible information. The attainment of a clean audit outcome provides a strong foundation for the successful achievement of the outcomes outlined in the 2025 – 2030 Strategic Plan. Furthermore, the implementation of the F&SCM system contributed to improved efficiency, accountability and the streamlining of financial processes. In addition, the HCM function strengthened internal controls over human resource and payroll processes, ensured accurate record-keeping and maintained compliance with relevant policies and procedures across all organisational units. The audit of qualifications forms a critical component of Umalusi's quality assurance mandate as it provides a systematic review of the integrity, validity and credibility of qualifications registered on the GFETQSF. Through this process, Umalusi ensures that qualifications remain relevant, coherent and aligned with the expectations of the NQF, thereby safeguarding public confidence in the education and training system. The audit of qualifications is intended to determine whether qualifications meet the criteria of the GFETQSF and the requirements for retention and re-registration on the NQF. To initiate this process, the NATED N2-N3 Engineering Programmes, which were being phased out, were audited during the 2025/26 financial year as part of a pilot of the audit instrument.
2. Enhanced educational standards	2.1 Percentage of qualifications registered on the GFETQSF evaluated for alignment with the NQF requirements	-	100%	

Outcome	Outcome indicator	Baseline	Five-year target	Progress made towards the outcome indicators
				The general findings of the audit indicate that the NATED N2- N3 Engineering Programmes do not comply with the requirements of the sub-framework. The findings further show that these qualifications have lost currency and relevance owing to obsolete curricula that are poorly aligned with current industry standards. In terms of performance, the NATED N2-N3 Engineering Programmes remained in demand, as reflected in enrolment figures for the last three trimesters, although a gradual decline was evident due to the phasing out of the programmes. By contrast, completion rates were less than satisfactory, with low levels of completion relative to enrolment.
	2.2 Percentage compliance of assessment bodies with prescribed assessment and examination requirements for all qualifications in the GFETQSF	-	100%	During the 2025/26 financial year, Umalusi oversaw the conduct, administration and management of six NSC examinations in the Schools sector, administered by SACAI, IEB and DBE; eight GETC-ABET examinations, administered by SACAI, IEB and DHET; as well as two NC(V) Level 4 and 3 NATED Report 190/191 Engineering Studies N2-N3 examinations, conducted by DHET. All assessment bodies fully complied with the prescribed assessment and examination requirements in conducting these examinations. This compliance culminated in Umalusi approving the release of candidates' results once all qualification requirements had been satisfactorily met.
	2.3 Increased percentage of identified accredited private education institutions monitored	91.5%	95%	In the 2025/26 financial year, Umalusi achieved a monitoring coverage rate of 97.52% (197 out of 202 institutions). Monitoring activities undertaken ensured that accredited private education institutions continued to comply with accreditation standards. Where gaps were identified, follow-up interventions were implemented to address deficiencies and support continuous improvement.
				Overall, the high level of monitoring achieved in 2025/26 demonstrates the effectiveness of systems implemented by Umalusi to ensure comprehensive oversight and uphold the quality and integrity of provision within accredited private education institutions.



Chief Financial Officer
Mr Hendrik van der Walt

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 comprises the following five sub-programmes:

Table 4: Programme 1 sub-programmes

Sub-programme	Purpose	Outcome
1.1 Strategy and Governance (S&G)	The S&G sub-programme aims to provide good corporate governance, support Council, manage the Office of the CEO, coordinate risk management, manage performance information and facilitate strategy development.	Efficient and effective administration systems
1.2 Public Relations and Communications (PR & Comms)	The PR & Comms sub-programme aims to communicate the organisational mandate, strategy and services to stakeholders.	
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 the business units.	
1.4 Human Capital Management (HCM)	This sub-programme aims to effectively implement HCM governance, attract top talent, cultivate a culture of continuous learning and development, ensure a transparent performance management system, offer attractive rewards and benefits and ensure that human capital is retained in the organisation to deliver on its mandate.	
1.5 Finance and Supply Chain Management (F&SCM)	To ensure transparent, accountable and sound financial management and to maintain a procurement system that is fair, equitable, transparent, competitive and cost effective.	

Senior Manager: S&G
Ms Molly Mokoena



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



Purpose of the sub-programme

The S&G sub-programme aims to provide good corporate governance, support Council, manage the Office of the CEO, coordinate risk management, manage performance information and facilitate strategy development.



Outcomes, outputs, output indicators, targets and actual achievement

The S&G programme contributes to the outcome of "Efficient and effective administrative systems". For the 2025/26 financial year, the unit assisted the organisation to achieve a clean audit for the 2024/25 financial year. This success was made possible by implementing effective measures to ensure that performance information is credible and accurate. The unit verifies all received performance information to ensure its reliability for reporting. This supports management in making informed decisions and advancing the organisation's mandate.

Umalusi timeously submitted all its quarterly performance reports to the oversight bodies for the 2025/26 financial year through the S&G Unit. As part of the preparations for the 2026/27 financial year, the organisation finalised and submitted its 2026/27 Annual Performance Plan (APP) to Parliament, where it was officially tabled. Additionally, to outline the strategies needed to achieve the outputs set out in the APP, the unit developed the organisational 2026/27 Annual Operational Plan (AOP), which was approved by the CEO before the beginning of the new financial year, as required by legislation.

The organisation continued to strengthen its risk management practices in line with governance and compliance requirements. A Fraud Risk Register was developed, approved and implemented. A total of 13 fraud risks were identified, assessed and continuously monitored to mitigate exposure to fraud and corruption. Appropriate controls were implemented and regular reviews conducted to ensure their effectiveness.

The Organisational Risk Register for the 2026/27 financial year was successfully compiled. A total of 24 strategic and operational risks were identified, assessed and monitored quarterly. This ensures that emerging risks are identified early and are managed proactively.



To promote a culture of integrity, honesty and accountability, the organisation conducted risk, ethics and fraud awareness sessions. All employees attended, to enhance awareness of risk management responsibilities, ethical conduct and fraud prevention measures across all levels of the organisation.

Furthermore, the Risk Management Committee (RMC) and the Audit and Risk Committee (ARC) reviewed the Risk Appetite and Tolerance Statements and provided recommendations for Council's approval. These statements guide decision-making processes and ensure that risk-taking remains within acceptable levels.

Overall, the organisation remains committed to embedding effective risk management practices and strengthening governance frameworks to support the achievement of its strategic objectives.

All Council meetings were held as scheduled. As mandated by the charter, the Council approved several operational and legislative policies. Notably, the Council Charter and the Terms of Reference for EXCO were successfully reviewed and approved. These accomplishments resulted in enhanced governance mechanisms that helped the organisation promote corporate governance.



Summary of major challenges and actions taken to address the challenges

One major challenge the unit faced was a limited budget, which resulted in some delays in completing deliverables. However, this challenge was addressed through additional budget requests and internal transfers of funds within the unit's budget.

Senior Manager: PR&Comms

Mr Biki Lepota



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



Purpose of the sub-programme

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



Outcomes, outputs, output indicators, targets and actual achievement

The PR & Comms sub-programme contributes to the achievement of efficient and effective administrative systems through the implementation of targeted communication and advocacy initiatives. These initiatives are aimed at enhancing stakeholder awareness and understanding of the organisation's mandate, strategic objectives and service offerings.

During the 2025/26 financial year focused efforts were undertaken to strengthen stakeholder engagement and enhance public understanding of the GFETQSF and the role of Umalusi in the broader education and training landscape.

Advocacy initiatives

As part of collaborating and networking with counterparts on the African continent and in furtherance of the ideals of Agenda 2063, "the Africa We Want", which is characterised by, among others, unity, inter-connectedness and interdependence, Umalusi participated in eight advocacy initiatives. Six of them were by way of hosting various delegations from different education authorities in Africa and the other two were meetings with the higher education sector in South Africa.

On 26 June 2025 Umalusi hosted officials from the Eswatini Qualifications Authority (EQA). The delegation needed to gain deeper understanding of the accreditation status of the International Senior Certificate (ISC), which has been developed by the IEB and offered to some learners in Eswatini. Umalusi used the opportunity to inform the EQA that the ISC is not accredited by Umalusi. Additionally, in its capacity as the authority responsible for accreditation of

schools-related qualifications in South Africa, it has been receiving queries from national and regional higher education institutions and government entities outside the borders of South Africa about this particular certificate.

On 13 August 2025 Umalusi hosted the Examinations Council of Eswatini (ECESWA) during a visit to benchmark the Eswatini General Certificate of Secondary Education (EGCSE) against South Africa's NSC. The need for the benchmarking exercise was occasioned by the difficulties experienced by the holders of the EGCSE in obtaining direct admission into South African universities.

The third visit took place on 22 September 2025 when a delegation from Uganda and Tanzania undertook a study tour on the implementation of Recognition of Prior Learning (RPL). The specific purpose of the visit was to:

- a) Gain an overview of the South African NQF;
- b) Understand Umalusi's role in quality assurance and policy implementation; and
- c) Learn how RPL and Adult Basic Education and Training (ABET) have been incorporated into the NQF.

Umalusi hosted a delegation representing the National University of Lesotho (NUL) and the Examinations Council of Lesotho (ECOL), from 18 to 19 November 2025. The visit follows the December 2022 signing of a Memorandum of Understanding (MoU) between the ECOL and the NUL Faculty of Education, to assure the quality of the Lesotho General Certificate of Secondary Education (LGCSE). Because the Faculty of Education is in the process of putting together systems and processes to assure the quality of the LGCSE examinations, the delegation saw it fit to learn about the frameworks that Umalusi uses to quality assure qualifications.

Umalusi also welcomed a delegation from the Ministry of Higher Education, Research, Science and Technology (MOHERST) from the Republic of The Gambia on 29 January 2026. The visit, which was led by the Minister of Higher Education, Research, Science and Technology, Professor Pierre Gomez, was occasioned by the current transformation of the technical and vocation education and training (TVET) sector that the Republic of The Gambia is undergoing.

On 26 March 2026 Umalusi engaged with the DHET Deputy Principals (Academic) on the organisational mandate. This took place in a workshop organised to discuss ways to implement academic improvement in the sector.

In addition to the above-named study visits, Umalusi had two virtual engagements with the university sector. The reason for engaging stakeholders is to provide context to the mandate of Umalusi in general and further education and training in South Africa. The first was an engagement with the Deans of Education Faculties across 26 universities, on 15 August 2025.

The discussions centred on what Umalusi is doing to improve the quality of education in general and further education and training; and how the higher education sector is working, or could work, with Umalusi to strengthen the credibility of qualifications.

A second successful meeting took place on 10 October 2025, when Umalusi engaged with the Registrars Forum of 26 South African universities. The talk was centred around the topic "Demystifying misconceptions surrounding NQF Level 4 qualifications in South Africa." The topic was further broken down into three strands. The first focused on the qualifications that Umalusi is legislatively mandated to quality assure. The second provided an update on the qualifications in the post-schooling education and training (PSET) sector, while the third strand demonstrated common misconceptions surrounding the NSC.

Produce a guideline document outlining how Umalusi will, where practically possible, provide services in four official languages

To comply with the Use of Official Languages Act (No. 12 of 2012), the Umalusi Communication Policy, approved by Council in September 2024, has adopted four official languages (English, Afrikaans, isiZulu and Sepedi) as its official languages for the purposes of interacting with members of the public. To operationalise the policy, a guideline document outlining how the adopted languages are to be used for communicating with the public was finalised and approved at the management (SMLC-NOPAC) meeting on 18 March 2026.

Maintain the Umalusi website

Umalusi used its revamped website as one of the digital platforms to widely share information with its stakeholders. Owing to regular updating of information, there was a surge in the number of stakeholders visiting the website throughout the reporting period. The numbers in Table 5 show that the certification and verification page was the most visited during the year.

Table 5: Access to and accessibility of information on the Umalusi website

Page	April	May	June	July	August	September	October	November	December	January	February	March	Average
Homepage	6 666	1 212	1 751	25 844	16 916	13 885	15 996	17 834	8 291	12 036	14 991	28 160	13 632
Contact us	1 280	2 811	3 648	7 994	4 286	3 377	3 607	3 324	1 785	1 750	3 001	4 877	3 478
Careers	3 813	2 905	5 677	3 086	2 251	1 944	2 312	4 244	1 236	962	1 658	4 578	2 889
About us	367	660	878	1 594	902	690	872	849	368	377	813	1 231	800
Accreditation	438	870	114	1 484	1 226	963	1 171	1 025	707	1 175	1 464	4 423	1 255
Assessments	-	426	592	923	620	424	504	577	236	-	473	806	558
Qualifications	562	1 052	1 169	2 243	1 514	1 059	1 253	964	589	735	995	1 229	1 114
Certification & Verification	3 631	8 607	10 626	24 582	11 645	8 388	9 611	7 538	4 470	6 343	8 737	14 087	9 855
Standardisation	-	-	-	-	-	-	-	-	-	451	-	-	451
Tenders	278	529	830	1 432	647	576	756	718	304	-	528	1 112	701
Reports	228	-	327	669	-	-	378	-	-	490	276	-	395
Newsletters	407	1 934	-	-	1 438	621	-	3 049	496	-	-	5 648	1 942
Total viewers	17 670	21 006	25 612	69 851	41 445	31 927	36 460	40 122	18 482	24 319	32 936	66 151	-

Optimising the use of Umalusi digital media platforms (Facebook, LinkedIn, X and YouTube) to keep stakeholders informed about the work of Umalusi

The optimal use of the Umalusi digital media strategy resulted in significant growth in the number of followers and in the reach of Umalusi messages across four social media platforms, namely Facebook, LinkedIn, X and YouTube. Umalusi did not restrict the use of the four social media platforms to only regular communication of key messages to various stakeholders, but also answered stakeholders' questions, thereby expanding the reach of Umalusi messages.

The month-on-month comparisons presented in Tables 6 and 7 show that Umalusi's followers and viewers of the uploaded messages increased across all social media platforms. Table 6 shows that Umalusi experienced a significant increase in followers, of 15 704, or 45.3%, from 34 656 in April 2025, to 50 360 in March 2026. The ranking shows the largest followership was recorded on Facebook, followed by X and LinkedIn. This pattern accords with the historical month-on-month growth experienced in prior years.

Table 6: Number of followers on social media platforms per month

Platform	April	May	June	July	August	September	October	November	December	January	February	March	Average
Facebook	11 337	11 396	11 500	12 452	13 073	13 422	13 718	14 148	15 276	17 029	17 618	18 885	14 155
LinkedIn	9 556	9 826	10 427	10 771	11 151	11 414	11 843	12 718	13 157	13 588	13 948	14 697	11 925
X	13 521	13 530	13 537	13 565	13 583	13 577	13 569	13 583	13 594	16 465	16 439	16 447	14 284
YouTube	242	245	250	256	246	267	272	274	278	316	325	331	275
Total	34 656	34 997	35 714	37 044	38 053	38 680	39 402	40 723	42 305	47 398	48 330	50 360	40 639

These figures show that on average almost 40 640 people followed Umalusi on the social media platforms throughout the financial year. Table 7 presents the reach of Umalusi messages on social media platforms. The role of this particular metric is to show the number of unique users who see/view Umalusi content on social media platforms. It is useful for maintaining viewership through digital platforms.

Table 7: The reach of Umalusi messages on social media platforms per month

Platform	April	May	June	July	August	September	October	November	December	January	February	March	Average
Facebook	55 271	58 175	66 811	716 383	444 783	297 027	150 749	236 155	1 090 907	1 196 760	263 578	544 230	425 069
LinkedIn	94 119	44 433	65 486	65 448	65 888	53 023	58 278	126 395	72 581	83 105	50 638	112 934	74 322
X	11 050	8 880	13 416	30 978	8 627	8 979	11 509	32 025	11 736	1 369 702	22 268	39 387	130 713
YouTube	257	292	280	588	476	377	637	431	494	3 198	1 483	1 628	845
Total	160 697	111 780	145 993	813 397	519 774	359 406	221 173	395 006	1 175 718	2 652 765	337 967	698 179	637 270

Overall, Umalusi digital content was accessed by 7 647 240 viewers between April 2025 and March 2026. The months of December and January registered the greatest viewership, accounting for approximately 50% (3 828 483) of Umalusi content accessed on social media platforms. In terms of monthly averages, the messages reached around 637 270 views. This is pleasing from brand awareness and impact points of view, because it implies that Umalusi messages continued to reach hundreds of thousands of stakeholders, who were kept engaged and, in turn, interacted with the posts.

Exhibitions/campaigns

Exhibitions are used as a platform to interact directly with external stakeholders about the various areas of work of Umalusi. Umalusi participated in eight exhibitions during the financial year. The first was a week-long career exhibition organised by the Eastern Cape provincial education department from 12 to 16 May 2025, where Umalusi showcased its services to high school learners and TVET colleges in the OR Tambo district. That was followed by the G20 Outreach Career Exhibition, organised by the DHET at the Potchefstroom Campus of North-West University, from 22 to 23 May 2025. The third exhibition, which was linked to the G20 build-up activities, took place on 27 May 2025 at the Mankwe Campus of Orbit TVET College in North West province. These exhibitions enabled Umalusi officials to clarify to attendees the services of Umalusi vis-à-vis those of the assessment bodies.

A further exhibition was a public awareness campaign against bogus institutions, organised by the DHET in East London, Eastern Cape, on 14 and 15 July 2025. The campaign was led by the Deputy Minister, Dr Mimmy Gondwe. Nkangala TVET College hosted another exhibition on 5 August 2025 at the Emalahleni Local Municipality Hall. Here Umalusi took the opportunity to interact with school-going learners as well as current and former TVET students on the various services offered by Umalusi.

At the University of Pretoria on 18 September 2025 Umalusi hosted a seminar, titled "Going digital: challenges and opportunities in online education and assessment". Umalusi also participated in an exhibition on 28 January 2026 at Marabastad Taxi Rank, Pretoria, conducted in partnership with the South African Qualifications Authority (SAQA), Quality Council for Trades and Occupations (QCTO) and the Council on Higher Education (CHE).

The seventh exhibition was conducted on 20 February 2026 at an Umalusi seminar titled "Bridging the divide: unpacking the Mathematics vs. Mathematical Literacy enigma in South African schools", which took place at the Innovation Hub in Pretoria. The final exhibition took place on 20 March 2026 where Umalusi hosted a seminar titled "Beyond the rankings: understanding NSC league tables, equity and accountability" in Johannesburg.

Community development project

Because this year's Nelson Mandela International Day fell during the school holidays, it was conducted differently, in two phases. The first phase involved Umalusi joining hands with the OR Tambo Coastal District of the Department of Education to interact with the victims of recent floods that affected the Mthatha area. Primarily, the goal was to gather information on the number of affected people, with a view to providing re-issues of certificates free of charge.

Of the 250 people who arrived on the day, 208 qualified for the re-issue of certificates. On approval of the submission to print the certificates free of charge, the certificates were printed and dispatched to the OR Tambo Coastal District of the Department of Education in Mthatha, for the district to distribute to their rightful owners.

In the second phase, the unit took Umalusi ambassadors to identified primary schools to distribute donated books.

Media briefings

Umalusi participated in three media briefings during the reporting period. The first took place on 15 October 2025 and focused on the state of readiness of the public and private assessment bodies to conduct, administer and manage the 2025 end-of-year national examinations. This briefing was to inform the public about the readiness of the system for the examinations.

The second briefing took place on 5 December 2025. This was a joint initiative between the NQF partners (SAQA, QCTO, CHE and Umalusi) to address areas of common interest, with specific reference to the following key topics:

- a) New developments in the NQF space;
- b) The persistent challenge of unaccredited institutions;
- c) Steps to verify institutions and certificates; and
- d) Latest measures to combat fraud and protect students.

The last media briefing, on 9 January 2026, focused on the approval of the 2025 end-of-year national examination results of the public and private assessment bodies and to inform the public about the credibility of the results achieved in the examinations.

Media statements

There were four sole and one joint media statement issued during the year. The first was released on 19 May 2025 to clarify the role that Umalusi plays in the accreditation of qualifications offered in the general and further education and training sector of South Africa. The second press release, on 15 October 2025, informed the public about the readiness of public and private assessment bodies to conduct, administer and manage the 2025 end-of-year national examinations.

Following the hosting of a joint media briefing on the individual and collective roles of the four partners within the NQF, namely Umalusi, CHE, QCTO and SAQA, a joint statement was issued on 5 December 2025 to that effect. In response to reported cases of irregularities involving the NSC Mathematics, Physical

Science and English Home Language examinations, a statement was issued on 11 December 2025 to inform the public about how Umalusi would address the irregularities. The last media statement for the period under review was issued on 9 January 2026, on the approval of the release of the results of the 2025 end-of-year national examinations.

All these statements are available on the Umalusi website.

Community radio stations

In an effort to deepen external stakeholders' understanding of the Umalusi mandate, the organisation participated in a community radio station campaign, from 6 to 19 March 2026, in several African languages.

Table 8: Schedule of community radio stations

No.	Radio station	Province	Language	Date
1.	Moutse Community Radio	Mpumalanga and Limpopo	Sepedi (approx. 40%), isiZulu (25%), isiNdebele (20%), Setswana (5%), and English (5%)	6 March 2026
2.	Izwi LoMzansi FM	KwaZulu-Natal	isiZulu	12 March 2026
3.	Motheo FM	Free State	Sesotho and Setswana , along with English and isiXhosa	10 March 2026
4.	Bojanala FM	North West	Setswana and English	17 March 2026
5.	Kurara FM	Northern Cape	50% Setswana , 30% English , and 20% Afrikaans	19 March 2026
6.	Vhembe FM	Limpopo	Tshivenda (80%) with additional programming in Xitsonga (15%) and English (5%)	12 March 2026
7.	Sekhukhune Community Radio	Limpopo	Sepedi	6 March 2026
8.	Alfred Nzo Community Radio	Eastern Cape	isiXhosa	16 March 2026
9.	Zibonele FM	Western Cape	isiXhosa	18 March 2026
10.	Kasie FM	Gauteng	40% isiZulu 30% English 20% Sesotho	19 March 2026

Publications

Makoya

As with exhibitions and/or campaigns, the Umalusi newsletter acts as a bridge to connect the organisation with its internal and external stakeholders. It offers a direct channel to share insights, new developments and upcoming events. Umalusi published and widely shared four editions of the Makoya newsletter, covering different areas of the organisational mandate.

In addition, a special issue of the publication was dedicated to the Accreditation Forum and Certificate Presentation Ceremony. This was published in March 2026.

Dealing with media queries

Umalusi received several queries from different media houses on various aspects of the quality assurance mandate of Umalusi. The first, received on 17 April 2025 from Media24, related to directives that Umalusi issued to the DBE following the quality assurance of question papers for the November 2024 NSC examination. On 22 April 2026 the same media house enquired about findings made against the moderation of the November 2024 NSC question papers administered by the IEB and related directives. The third set of queries came again from Media24, on 5 May relating to the findings, observations, comments and conclusions regarding moderation of the conduct of the ISAT and PAT in the DHET.

On 18 September 2025 Umalusi received a query from e.tv and eNCA in relation to concerns raised by members of the public regarding a particular educational institution. Given the numerous complaints from learners and parents alike, the media house needed clarity on whether the institution was currently, or had ever been, accredited by Umalusi. Umalusi provided a response to the query.

Another query was received on 28 October 2025 from News24 about the accreditation status of a certain private school, which has branches in Randburg, Midrand and Thohoyandou. Because the High Court in Johannesburg recently granted a final liquidation order against the school for failing to pay its debts, the media house wanted to know whether the school had been granted a concession by Umalusi to administer the 2025 end-of-year examinations. The same media house sent another query on 17 November 2025 regarding the administration of incorrect NSC Afrikaans (Second Additional Language) Paper 1, instead of First Additional Language, to two candidates at a particular school in KwaZulu-Natal, on 11 November 2025.

Visitors to Umalusi

A total of 10 040 members of the public visited Umalusi between April 2025 and March 2026 to seek assistance on various organisational offerings.

Table 9: Visitors to Umalusi

April	May	June	July	August	September	October	November	December	January	February	March	Total
682	714	580	1007	707	842	811	856	530	979	1187	1145	10 040



Summary of major challenges and actions taken to address the challenges

None

Senior Manager: ICT
Mr Thato Khaha



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



Purpose of the sub-programme

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



Outcomes, outputs, output indicators, targets and actual achievement

The ICT sub-programme contributes to the "Efficient and effective administrative systems" outcome. In the financial year 2025/26, ICT achieved a network health score of 98%. This achievement illustrates average uptime across all applications and systems where network access exists to ensure a stable ICT infrastructure. This score demonstrates the efficient execution of operations to fulfil the organisation's mandate.

During the reporting period, ICT continued to develop systems and digitally transform organisational processes internally. The completion of the accreditation system will enable private institutions to apply for accreditation online, thereby improving the efficiency of the approval process and reducing turnaround times. In addition, the implementation of the ICT Service Management (ITSM) system ensured that all ICT incidents were formally logged, tracked and managed, resulting in improved turnaround times for ICT service delivery.

Furthermore, the implementation of a recruitment system streamlined and enhanced the recruitment process, improving overall efficiency. Cybersecurity remains a critical focus for ICT and the implementation of vulnerability management enabled the organisation to proactively identify and manage ICT-related risks. In addition, the deployment of Microsoft Teams telephony improved organisational communication while contributing to a reduction in overall telephony costs.

The organisation is deliberate and intentional about advancing digital transformation initiatives. The project to digitalise the NSC, undertaken in collaboration with the Presidency, is of national importance and represents a key milestone within the MyMzansi App. Once completed, this project will enable citizens to securely access government services and official documents digitally, placing essential public services in the palms of their hands.



Summary of major challenges and actions taken to address the challenges

Service interruptions relating to internet connectivity continued to negatively affect the organisation during the reporting period. To mitigate this challenge, ICT maintained ongoing engagements with service providers to ensure quicker turnaround times in addressing connectivity-related incidents.

Budget limitations also remained a key challenge, restricting ICT's ability to implement certain critical projects. To mitigate this constraint, ICT prioritised core operational requirements and promoted internal system development initiatives to sustain digital transformation efforts within the available resources.

Delays in system development were another challenge encountered during the reporting period. In response, ICT strengthened communication and collaboration between ICT and business units to improve requirement-gathering, system development and testing processes, thereby enhancing delivery timelines and system quality.

Senior Manager: HCM
Mr Mafeta Mabelebele



**Sub-Programme 1.4:
Human Capital Management (HCM)**



Purpose of the sub-programme

This sub-programme aims to effectively implement HCM governance, attract top talent, cultivate a culture of continuous learning and development, ensure a transparent performance management system, offer attractive rewards and benefits and ensure that human capital is retained in the organisation to deliver on its mandate.



Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The HCM sub-programme contributes to the achievement of the Outcome 2, "Efficient and effective administrative systems". During the 2025/26 financial year, the sub-programme focused on maintaining the organisational vacancy rate below 10%, a target which was successfully achieved. Maintaining the vacancy rate below this threshold ensured that all units were adequately staffed and able to perform their functions effectively and efficiently, supporting the attainment of organisational goals.

In addition to staff capacity management, HCM implemented several initiatives to enhance employee knowledge, awareness and compliance with organisational policies. An awareness session on HIV/AIDS was conducted to educate employees on the psychological and health effects of the condition, ensuring a clear understanding among staff. A presentation on Unemployment Insurance Fund (UIF) claims was also successfully delivered, providing employees with information on eligibility, application processes and the importance of UIF, thereby supporting smoother claims processing.

Targeted policy advocacy sessions were conducted in various units to ensure employees understood and complied with relevant HCM policies. Furthermore, the online Performance Management and Development System (PMDS) was successfully rolled out across all units. Refresher and individual training sessions were provided to support employees in transitioning from the manual system to the online platform, promoting effective performance management throughout the organisation.

Through these initiatives, the HCM sub-programme contributed to a well-informed, capacitated and engaged workforce, thereby supporting the overall efficiency and effectiveness of administrative systems.



Summary of major challenges and actions taken to address the challenges

Implementation of the training and development plan

When service providers cancel scheduled sessions due to an insufficient number of delegates, it leads to delays, difficulties in rescheduling and reduced training effectiveness. Constant liaisons were made with the service providers regarding available dates and confirmation of training interventions.

Employment of people with disabilities

The employment of people with disabilities (PwD) remains a challenge. To address this, HCM has consulted the PwD database, shared relevant job postings with disability-focused organisations and encouraged employees to voluntarily disclose any disabilities, with assurances that all disclosures remain strictly confidential.

Senior Manager: F&SCM
Dr Kenny Monate



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



Purpose of the sub-programme

To ensure transparent, accountable and sound financial management and to maintain a procurement system that is fair, equitable, transparent, competitive and cost-effective.



Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The F&SCM sub-programme contributes to the first outcome, "Efficient and effective administrative systems". The sub-programme has successfully achieved its planned targets. Two outputs were planned for the 2025/26 financial year, i.e., payment of valid invoices within 30 days of receipt, with a target of 100%, and preparation of the interim financial statements, with a target of three. Payment of invoices within 30 days contributes to Umalusi's compliance with the Public Finance Management Act (Act No. 1 of 1999), which requires state organs to pay suppliers within 30 days of receipt of the invoice. The interim financial statements (interim financials) were prepared on a quarterly basis to provide information on Umalusi's financial position, financial performance and cash flows. The interim financials were issued to the internal auditors for review, to assist Umalusi in identifying potential problems early in the financial year and ensure that corrective actions are taken promptly to improve audit outcomes.

The F&SCM sub-programme developed and monitored the audit action plans for both internal and external audit findings to ensure that remedial actions were implemented to address control deficiencies and improve audit outcomes.

In addition, the sub-programme developed a Finance Procedure Manual to provide a comprehensive guide for employees, outlining standard operating processes and protocols in Umalusi and helping employees understand their roles and responsibilities to perform their tasks.

The SCM and S&T policies were also revised to ensure alignment with the latest developments and legislative changes in the public sector environment.



Summary of major challenges and actions taken to address the challenges

None

Table 10: Programme 1: Administration

Programme 1: Administration								
Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviations
Efficient and effective administrative systems	1.1 Advocacy initiatives conducted	1.1.1 Number of advocacy initiatives conducted	8	12	10	16	6	Unsolicited visits by continental bodies
	1.2 Achieved ICT network health score	1.2.1 ICT network health score maintained at ≥97%	97%	98%	≥97%	98%	None	None
	1.3 Minimised vacancy rate	1.3.1 Vacancy rate maintained at ≤10%	8%	5%	≤10%	6%	None	None
	1.4 Suppliers' invoices paid within 30 days	1.4.1 Percentage of valid invoices paid within 30 days of receipt	-	99% (833/839)	100%	100% (847/847)	None	None
	1.5 Interim financial statements	1.5.1 Number of interim financial statements prepared quarterly	-	-	3	3	None	None

Linking performance with budgets

Table 11: Programme 1: Expenditure

Programme 1	2024/2025			2025/2026		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	82,787	111,593	(28,806)	102 795	107 367	(4 572)
Total	82,787	111,593	(28,806)	102 795	107 367	(4 572)

Strategy to overcome areas of under performance

There is no underperformance in this programme.



Executive Manager: Q&R
Dr Emmanuel Sibanda

3.2 PROGRAMME 2: QUALIFICATIONS AND RESEARCH (Q&R)



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 Q&R programme comprises the following two sub-programmes:

Programme sub-programmes

Table 12: Programme 2 sub-programmes

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

Senior Manager: QCC
Mr Dennis Twala



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



Purpose of the sub-programme

The purpose of the QCC sub-programme is to manage the GFETQSF qualifications and the standard QCC functions that manage qualifications, certification and verification.



Outcomes, outputs, output indicators, targets and actual achievement

The QCC sub-programme contributes to the outcome, "Enhanced educational standards". Through this sub-programme, Umalusi has successfully conducted an audit of the NATED N2-N3 Engineering Programmes. The NATED N2-N3 programmes are being phased out and Umalusi aims to ensure that their footprint within the education system is recorded. The audit of qualifications forms a critical component of Umalusi's quality assurance mandate, serving as a systematic review of the integrity, validity and credibility of qualifications registered on the GFETQSF.

Umalusi conducted the 2025 Post-Examination Analysis (PEA) for selected 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 Standards Committee (ASC) in the December 2025 standardisation meetings. The PEA resulted in three reports:

- a) Comparing the standard of the NSC examinations administered by the DBE in 2025 with those written in 2023 and 2024: Focus on ten selected subjects.
- b) Comparing the standard of the NSC examinations administered by the IEB in 2025 with those written in 2023 and 2024: Focus on nine selected subjects.
- c) Comparing the standard of the NSC examinations administered by the SACAI in 2025 with those written in 2023 and 2024: Focus on nine selected subjects.



Summary of major challenges and actions taken to address the challenges

The DHET has reconceptualised the National Senior Certificate for Adults (NASCA) qualification and its underpinning documents. There was a delay in implementing the NASCA owing to outstanding underpinning policies. The DHET submitted the documents towards the end of Quarter 3 and Umalusi was unable to evaluate and appraise them at that time. Consequently, the documents will be evaluated and appraised in the next financial year.

The DHET took a unilateral decision to internalise the NC(V) Levels 2 and 3 examinations, citing challenges with their administration and management. This decision ultimately led Umalusi to cease the quality assurance and certification of these qualifications. The timing and process for internalising the NC(V) Levels 2 and 3 examinations did not follow established policies and protocols and intervention by the Minister responsible for Higher Education and Training was sought, through promulgation of a gazette (Government Gazette No. 54062 of 2 February 2026) to allow the process to proceed and be formalised. In future, Umalusi will be responsible for the quality assurance of NC(V) Level 4 only, including the loading of data on the National Learners' Records Database (NLRD).

The development of standards for a qualification for learners with mild to moderate intellectual disabilities (MIDs) could not proceed. This is because the project depends on the completion of a scoping study conducted by the SIR Unit, which was completed at the end of this financial year. Consequently, this project has been referred to the next financial year.

Senior Manager: SIR
Dr Agnes Mohale



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



Purpose of the sub-programme

The purpose of the SIR sub-programme is to provide a platform for research, statistical support and the standardisation of learner results to inform Council's professional work and organisational strategy.



Outcomes, outputs, output indicators, targets and actual achievement

The SIR sub-programme also contributes to the outcome, "Enhanced educational standards through research and statistical support". During the 2025/26 financial year Umalusi developed a booklet titled "Stats Insights – NATED N2 Qualification Statistical Review". This is an annual statistical publication that will comprise trends and developments of GFETQSF qualifications. As the NATED qualifications are being phased out, the primary aim of this project is to create a legacy booklet that preserves important statistical information and historical insights about the programmes.

Umalusi has drafted a concept note on the standard of African Home Languages in the NSC. This serves as a foundation to evaluate whether the identity of each African Home Language is adequately retained within these national standards; and to determine if current curriculum content and assessment appropriately reflect the linguistic and cultural components of each language, respectively.

Umalusi has evaluated the predictability of the 2022–2024 NSC examination papers using question papers from both the DBE and the IEB. The findings highlighted the need for greater variation and systematic rotation of content and question formats, particularly in the affected DBE subjects, to prevent examinations from becoming overly predictable and examination-driven.

Recommended improvements included diversifying text types and scenarios in English First Additional Language (FAL) Paper 3; and rotating content emphasis, expanding item types and introducing more varied contexts in Mathematics Papers 1 and 2. Addressing these areas will further strengthen the credibility, validity and integrity of the NSC examinations.

Umalusi produced a detailed report examining learner subject combination patterns in the NSC over a ten-year period, from 2015 to 2024. The objective was to better understand how learners structure their subject choices and how these choices have changed over time. This report provides meaningful insights into learner academic pathways, helping education stakeholders better understand subject demand and supporting future planning around curriculum development and career guidance.

Umalusi has also conducted a literature review study that benchmarked various international quality assurance models to identify best practices and standards that can inform improvements to Umalusi's existing processes. This study found that Umalusi's hands-on approach is particularly relevant to the South African context, which is defined by deep-rooted socio-economic inequalities and a history of racial segregation that requires an independent national body to maintain uniform standards. Consequently, the report recommends that Umalusi's centralised quality assurance of assessment model should remain as is, with ultimate accountability resting with the Council to ensure equity, transparency and credibility across the country's diverse education system.

Moreover, Umalusi has compiled a peer-reviewed journal comprising conference papers from the 40th Association for Educational Assessment in Africa (AEAA) Annual Conference, held from 19 to 23 August 2024 in Cape Town, South Africa. The journal is titled "The 17th volume of the Journal of the Association for Education Assessment in Africa (JAEAA)". The journal was finalised and handed it over to the Assessment and Examinations Services (EAES) of Ethiopia, as the host of the 2025 AEAA conference, as per the requirements of the AEAA EXCO. The journal was published and distributed to AEAA primary members during the 41st conference, held from 24 to 29 August 2025 in Addis Ababa, Ethiopia.

Additionally, Umalusi has hosted a series of six platforms for intellectual engagements that inform the public about issues relating to its sub-framework. Namely:

- a) A webinar on 5 September 2025 titled ***"Towards the development of a qualification for learners with mild to moderate intellectual disabilities"***. The webinar explored the nature of Schools of Skills, the overall learner profile, common learning barriers and challenges, as well as opportunities associated with Schools of Skills. The webinar also outlined Umalusi's plans and commitment to addressing the gap in respect of learners with MID who exit the system without a qualification.
- b) A seminar, titled ***"Going digital: challenges and opportunities in online education and assessment"***, was held on 18 September 2025. The objective of the seminar was to engage stakeholders on the current state and challenges of online education and to explore innovations and opportunities to enhance the effectiveness of online basic education and assessment. Two keynote addresses were delivered and a panel discussion was held. The audience included representatives of universities, schools, TVET colleges, unions, the South African Council for Educators (SACE), the DBE and industry partners that work with basic education initiatives.
- c) A closed seminar on 30 October 2025 titled ***"Standards of African Home Languages in the NSC"***. The seminar facilitated a robust discussion among African language experts to establish evidence-based recommendations for ensuring authentic comparability and equity of opportunity, such that examination outcomes reliably attest to the same standards regardless of the African language studied.
- d) A closed Umalusi webinar, titled ***"Consultation on the online assessment framework"*** was held on 11 December 2025. The webinar reviewed the framework for online assessment.
- e) A seminar held on 20 February 2026 titled ***"Bridging the divide: unpacking the Mathematics vs. Mathematical Literacy enigma in South African schools"***. The seminar unpacked discussions on the purpose, curriculum and assessment of

Mathematics and Mathematical Literacy in South African schools.

- f) A seminar held on 20 March 2026, titled **“Beyond the rankings: understanding NSC league tables, equity, and accountability”**. The seminar interrogated the systemic implications of utilising annual NSC results to construct provincial- and district-level school league tables.

Umalusi has successfully standardised the examination results of the 2025 mid-year and 2025 end-of-year examination results for all its qualifications.

Finally, as part of the disseminating research findings and Umalusi quality assurance processes, Umalusi participated and presented academic papers at the:

- a) 41st AEAA Annual Conference hosted by Assessment and Examinations Services (EAES) in Ethiopia.
- b) 40th Annual International Association for Educational Assessment (IAEA) Conference, hosted by the Examination Council of Zambia in Zambia.



Summary of major challenges and actions taken to address the challenges

There has been a mushrooming of online schools that are not accredited by Umalusi; however, these schools are offering the NSC. An internal Umalusi task team has been established to advise Umalusi on online school developments. Umalusi has since issued non-negotiables for online schools as interim directives.

Table 13: Programme 2: Qualifications and Research

Programme 2: Qualifications and Research								
Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviations
Enhanced educational standards	2.1 Audit conducted on qualifications on the GFETQSF	2.1.1 Number of audits conducted on qualifications on the GFETQSF	-	-	1	1	None	None
	2.2 Certificates printed within 30 working days of receiving the request from the assessment body	2.2.2 Percentage of certificates printed within 30 working days of receiving the request from the assessment body	-	-	95%	99.96% (1 127 821/ 1 128 277)	4.96%	The positive deviation was due to overtime arrangements and appointment of additional two temporary staff members in Quarter 1; and certifying learner achievements post-examination results in Quarter 4.

Programme 2: Qualifications and Research								
Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviations
Enhanced educational standards	2.3 Verification requests completed within two working days	2.3.1 Percentage of verification requests completed within two working days	-	-	95%	89.51% (34 189/38 197)	-5.49%	The organisation experienced network downtime for four days in Quarter 1, which affected the completion of verification requests; and high volume of verification requests from one client, which increased the workload during Quarter 4.
	2.4 Research projects completed in various formats	2.4.1 Number of research projects completed in various formats	6	6	6	6	None	None

Linking performance with budgets

Table 14: Programme 2: Expenditure

Programme 2	2024/2025			2025/2026		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Qualifications and Research (Q&R)	34,797	39,736	(4,939)	36 090	38 147	(2 057)
Total	34,797	39,736	(4,939)	36 090	38 147	(2 057)

Strategy to overcome areas of under performance

The organisation appointed an additional two temporary staff members to assist with workload and drafted an active overtime submission to respond to special projects.

Executive Manager: QAM
Dr Eva Sujee



3.3 PROGRAMME 3: QUALITY ASSURANCE AND MONITORING (QAM)



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 QAM programme comprises the following three sub-programmes.

Programme sub-programmes

Table 15: Programme 3 sub-programmes

Sub-programme		Purpose	Outcome
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
3.2	Quality Assurance of Assessment: Post-School Qualifications	The purpose of this sub-programme is to ensure the credibility of the assessment and examination results of Post-School qualifications registered on the GFETQSF.	
3.3	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.	



Senior Manager: QAA: SQ
Mr Doctor Phokwani

Sub-Programme 3.1: Quality Assurance of Assessment: School Qualifications (QAA: SQ)



Purpose of the sub-programme

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



Outcomes, outputs, output indicators, targets and actual achievement

The monitoring of the conduct, administration, and management of the examination writing across sampled examination and marking centres was executed successfully in accordance with the prescripts determined by Umalusi. In addition, the daily reporting of examination incidents and irregularities enabled Umalusi to undertake timeous followups with the assessment bodies regarding interventions related to behavioural offences and acts of dishonesty that could potentially impact the credibility of the November 2025 NSC examinations. The three assessment bodies (DBE, IEB and SACAI) successfully presented their detailed reports on the conduct of the NSC examinations, including reported irregularities, to EXCO on 6 January 2026. These reports were subsequently considered by EXCO.

The marking of the June 2025 and November 2025 NSC examinations for DBE, SACAI and IEB was successfully quality assured. This process ensured credibility, fairness and consistency of marking across all assessment bodies. The activity formed part of the Annual Performance Plan (APP) targets and was achieved in full.

Qualitative input reports were developed and presented to the ASC during pre-standardisation meetings. These reports contributed to informed decision-making and supported the standardisation of the November 2025 NSC examination results across the DBE, SACAI and IEB.

Umalusi compiled QAA reports on the quality assurance processes undertaken for the June and November NSC examinations and shared them with the assessment bodies for feedback.

The layout, design and publication of three QAA reports were successfully managed. This deliverable was aligned with APP targets and was completed within the required timelines. All required deliverables contributing to the approval of the November 2025 NSC examination results were successfully completed. This included coordination and submission of necessary documentation for the DBE, SACAI and IEB.

Virtual operational bilateral meetings were held with the DBE, SACAI and IEB. These engagements ensured alignment of plans, effective communication and coordinated implementation of quality assurance processes.



Summary of major challenges and actions taken to address the challenges

The turnaround time for the submission of outstanding documents required for the audit of appointed markers, conducted through a desktop approach, posed a challenge. This was addressed through direct engagement and regular follow-up communication with the relevant stakeholders.

Challenges were also identified in relation to the quality of marking and internal moderation, including instances where internal moderation was inadequate or absent. Building capacity across all levels of delivery was therefore deemed necessary. In response, Umalusi issued directives to the assessment bodies to strengthen the capacity of teachers in the use of marking rubrics, particularly with regard to the marking of essay-type responses in content subjects.



Senior Manager: QAA: PSQ

Dr Mary-Antoinette Dliwayo

Sub-Programme 3.2: Quality Assurance of Assessment: Post-School Qualifications (QAA: PSQ)



Purpose of the sub-programme

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



Outcomes, outputs, output indicators, targets and actual achievement

During the period under review, major policy reviews took place in the TVET sector, which affected Umalusi quality assurance processes. The Directive on the Internalisation of the NC(V) Levels 2 and 3 Examination and the Cessation of Quality Assurance by Umalusi was signed by the Minister of Higher Education and Training on 26 May 2025 and gazetted (Gazette No. 53015) on 15 July 2025. Following the promulgation of this gazette, Umalusi discontinued the quality assurance of Levels 2 and Level 3 examinations and focused solely on NC(V) Level 4 examinations.

The Minister of Higher Education, Science and Innovation officially announced the phasing out of the NATED N1–N3 programmes through Government Gazette No. 49518, published on 20 October 2023, which stipulated that the final date for enrolment in these programmes was 31 December 2023. This means that the November 2025 NATED Report 190/191 Engineering Studies N3 examination marked the final national examination for this qualification that Umalusi quality assured.

Regarding the GETC: ABET, the IEB issued correspondence on 29 May 2025 on the reduction of the GETC: ABET NQF Level 1 examinations. As a result, Umalusi quality assured the last Examinations-on-Request in September 2025.

Moderation of question papers

The moderation of question papers is critical to ensuring assessment quality. The external moderation process confirms that the question papers have been developed with rigour and comply with Umalusi criteria, as well as the curriculum and assessment policy documents of the assessment body. The moderation process also ensures that question papers are presented in the appropriate and technically correct format.

During this reporting period, Umalusi externally moderated 100% of the NC(V) Level 4, NATED Report 190/191 Engineering Studies N2–N3 and the GETC: ABET examination question papers and marking guidelines. All these Post-School qualifications' question papers were received and quality assured in accordance with the Umalusi criteria. Question papers that did not meet all criteria at first moderation were either conditionally approved or rejected. The question papers underwent a moderation process from initial to subsequent moderation until the required standard was met and were approved after meeting all the criteria set.

Moderation of site-based assessment (SBA) tasks

The moderation of SBA tasks is critical in the quality assurance process. It ensures that SBA tasks comply with Umalusi QAA requirements and the assessment bodies' subject assessment guidelines. Umalusi conducts the external moderation of SBA tasks to ensure maintenance of quality in terms of the prescribed content, conceptual domains and relevant levels of cognitive demand.

Umalusi received 15 quality-assured and approved SBA tasks from the DHET and three from the IEB to ensure that the required quality and standards were maintained.

Consolidated reports on the findings, including areas of improvement, areas of non-compliance as well as directives for compliance and improvement that need to be addressed, were communicated to the assessment bodies as part of the QAA reports.

Moderation of the internal continuous assessment (ICASS)/SBA portfolios

Umalusi verifies compliance with the stipulations of the 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 2025/2026 financial year, Umalusi moderated internal assessments for 210 subjects/learning areas, thereby increasing the target by ten. This increase was attributed to an additional layer of quality assurance for ICASS. This layer was intended to provide colleges with detailed feedback on learners' responses to PAT items, thereby supporting continuous improvement and addressing recurrent internal assessment irregularities.

The monitoring and moderation of internal assessments to evaluate the quality and standards of planning and the conduct of the ICASS and SBA at the sites of learning were conducted in line with Umalusi's criteria for this quality assurance process. Preliminary feedback was provided at the sites visited.

Consolidated reports on the findings, including areas of improvement, areas of non-compliance, as well as directives for compliance and

improvement that need to be addressed, were communicated to the assessment bodies as part of the QAA reports.

ISAT/PAT conduct

Umalusi moderates the ISAT/PAT to ensure that the tasks administered at the site of teaching and learning meet the standard and to guarantee fairness, consistency and comparability across different TVET colleges. The ISAT and PAT assess students' practical skills through tasks that replicate or simulate real-life processes and/or products in a workplace setting. The ISAT can be completed in phases over a specific period throughout the year, or as a one-time task, depending on the nature of the subject. In contrast, the PAT consists of two practical tasks, which are part of the ICASS.

For the period under review, Umalusi selected sites for ISAT moderation based on defined criteria, including sites that had not previously been visited, sites visited within the past three years, and sites requiring follow-up due to non-compliance identified during earlier moderation. Umalusi moderated the conduct of the ISAT/PAT for 99 subjects on-site and 21 subjects virtually (off-site) from 1 to 24 October 2025. The 2025 moderation again indicated the need for focused attention on ISAT implementation at the campus level.

Consolidated reports on the findings, including areas of improvement, areas of non-compliance, as well as directives for compliance and improvement that need to be addressed, were communicated with the DHET as part of the QAA reports.

Monitoring the writing of examinations and marking centres

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

The monitoring of writing was conducted at 187 examination centres for the April, August and November 2025 NC(V) and NATED Report 190/191 Engineering Studies N2-N3 examinations. The marking of these examinations was monitored at seven marking centres for the April, August cycle and November 2025 cycle.

Regarding the NC(V) Level 4, the marking of examination scripts was monitored at seven marking centres for the November 2025 examination and at one for the February/March 2026 NC(V) Level 4 supplementary examination.

The writing of the June and November 2025 GETC: ABET examinations for the DHET, IEB and SACAI was monitored at 181 examination centres across the nine provinces. Furthermore, the writing of the IEB September 2025 Examinations-on-Request (EoR) was monitored at ten centres. The marking of these examinations was monitored at three centres for June 2025, one centre for September 2025 and three centres for November 2025.

The monitoring of the conduct, administration and management of examinations provided Umalusi with information on the credibility of the examinations in order to make informed decisions regarding the approval of the release of results. Umalusi staff members monitored the writing and marking at various centres.

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

Standardisation of marking guidelines

The marking guidelines undergo standardisation to ensure that the finalised marking guidelines are fair, accurate and consistent so that justice is done 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 49 out of 52 GETC: ABET standardisation of marking guideline meetings of the DHET, 14 meetings of the IEB, and 14 meetings for the SACAI June and November 2025 examinations. The IEB meetings included those for the September EoR.

Regarding the NC(V) Level 4, the standardisation of marking guidelines was monitored in 67 subjects (76 question papers) for the November 2025 examination. The standardisation of marking guidelines was also conducted in nine instructional offerings during April 2025, 18 instructional offerings during August 2025, and 13 instructional offerings during the November 2025 NATED Report 190/191 Engineering Studies N3.

The standardisation of marking guidelines was conducted as per the Umalusi 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 findings 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, ascertain that effective internal moderation takes place, identify possible irregularities and to confirm that marking is fair, reliable and valid.

Regarding the GETC: ABET, Umalusi verified the marking in 37 learning areas of the DHET, 14 of the IEB and 14 of the SACAI for the June and November 2025 examinations, respectively. The verification of the IEB marking included that of the September 2025 EoR.

Verification of marking was also conducted in 67 subjects (70 question papers) for the November 2025 NC(V) Level 4 examination, as well as in 26 subjects (30 question papers) for the February/March 2026 NC(V) Level 4 supplementary examination. In terms of the NATED Report 190/191 Engineering Studies N3 examination, verification of marking was conducted in 15 instructional offerings for April 2025, 15 instructional offerings for August 2025 and 15 instructional offerings for November 2025 NATED Report 190/191 Engineering Studies N3 examinations.

The verification of marking was conducted by external moderators in accordance with Umalusi's criteria for the QAA process across 11 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

Following the conduct, administration and management of the examinations, Umalusi and the assessment bodies present reports to the EXCO of the Umalusi Council on the quality assurance of, and compliance with, examination requirements. On the basis of these reports, EXCO may approve or not approve the release of examination results.

The EXCO approved the release of the following GETC: ABET examination results:

- a) IEB June 2025 GETC: ABET examinations on 9 July 2025;
- b) SACAI June 2025 GETC: ABET examination on 30 July 2025;
- c) DHET June 2025 GETC: ABET examination on 4 August 2025;
- d) IEB September 2025 GETC: ABET EoR on 6 October 2025;
- e) IEB and SACAI November 2025 examinations on 6 January 2026; and
- f) DHET November 2025 GETC: ABET examination on 8 January 2026.

For the TVET qualifications, the following DHET examination results were approved by EXCO:

- a) April 2025 NATED Report 190/191 Engineering Studies N2-N3 examinations on 13 May 2025;
- b) August 2025 NATED Report 190/191 Engineering Studies N3 examinations on 6 September 2025;
- c) November 2025 NC(V) Level 4 examinations on 8 January 2026; and
- d) November 2025 NATED Report 190/191 Engineering Studies N3 examinations on 8 January 2025.

Quality Assurance of Assessment reports

Six consolidated QAA reports were published for the Post-School qualifications.



Summary of major challenges and actions taken to address the challenges

Major challenges

- a) Insufficient budget to carry out quality assurance processes;
- b) Late submission of state of readiness (SoR) reports by assessment bodies;
- c) Tight timeframes to deliver on the end-of-year examination quality assurance processes;
- d) Errors in question papers; and
- e) Recurrent ICASS and ISAT irregularities by DHET colleges.

Actions taken to address these challenges

- a) This challenge was addressed through the reallocation of funds within the unit and from other cost items.
- b) June and ISAT SoR conducted the assessments to prepare them for the end-of-year examination readiness audit.
- c) Engagement with assessment bodies to review their management plans and end-of-year examination timetables.
- d) Training of external moderators was conducted with emphasis on proofreading. In addition, Umalusi participated and presented on errors in question papers during the DHET examiners and internal moderators' training workshops.
- e) Non-approval of the results of colleges involved in alleged ICASS and ISAT irregularities.



Senior Manager: E&A

Dr Mary Malia

Sub-Programme 3.3: Evaluation and Accreditation (E&A)



Purpose of the sub-programme

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.



Outcomes, outputs, output indicators, targets and actual achievement

The E&A sub-programme contributes to the outcome of enhanced educational standards. Two key outputs were planned, namely the finalisation of accreditation outcomes and the monitoring of private education institutions.

During the financial year under review, a hybrid Accreditation Forum and Accreditation Certificate Award Ceremony was successfully convened, with 161 participants attending in person and 515 participating online. The Forum provided recognition to accredited institutions and created a platform for stakeholder engagement on sector developments and the promotion of good practice. A commemorative edition of the Makoya newsletter was also published in March 2026.

Phase 1 of the online accreditation system was implemented in February 2026. While implementation challenges were experienced, these were actively addressed through ongoing collaboration between the E&A Unit and the ICT Unit, with continuous improvements expected as system stabilisation progresses.

The appointment and training of additional staff contributed to improved turnaround times for accreditation applications, reduced backlogs and strengthened operational efficiency and responsiveness.

Regular structured engagements were held with officials responsible for the registration of independent schools, private colleges and examination centres. These engagements strengthened coordination, promoted shared understanding of requirements, and enhanced alignment across key stakeholders.

In addition, on 21 and 22 August 2025, Umalusi hosted a successful engagement with the DBE, provincial education departments, and private assessment bodies under the theme "Strengthening Alignment Between Registration and Accreditation of Independent Schools". The engagement, attended by 40 delegates in person and 25 online participants, focused on improving coordination between registration and accreditation processes, particularly in relation to the registration of schools as centres of learning and examination centres.

Furthermore, a bosberaad was held on 30 – 31 March 2026 under the theme "Working smart, delivering excellence". The session provided a strategic platform to reflect on current organisational processes, assess their effectiveness and identify opportunities to streamline workflows in order to improve efficiency without compromising quality. The bosberaad further identified short-, medium-

and long-term actions aimed at strengthening operational effectiveness, with some interventions expected to generate cost savings while maintaining service quality and compliance standards.

The ACC made the following recommendations in the financial year with respect to applications by independent schools and private colleges:

Table 16: Accreditation Committee of Council recommendations

Accreditation	102
7 years' accreditation	3
2 years' provisional accreditation	40
No accreditation	24
Window period to improve	65
Extension of scope granted	6
Change of name approved	6
Change of site approved	4
Change of site not approved	0
Continued accreditation (monitored institutions)	220
Final notice of intent to withdraw accreditation	9
Withdrawal of accreditation	10



Summary of major challenges and actions taken to address the challenges

The implementation of Phase 1 of the newly developed online accreditation system has introduced minor operational adjustments for both the organisation and institutions applying for accreditation, as part of the normal transition associated with the rollout of a new digital platform. These matters are being effectively managed through ongoing collaboration between the ICT Unit and the E&A Unit, with continuous system refinements under way to enhance functionality and user experience.

In the interim, manual record-keeping processes continue to complement the system by supporting the tracking and reporting of applications, thereby ensuring continuity of service during the phased implementation. While this has resulted in a temporary increase in administrative workload, it is being actively managed through streamlined workflows and adaptive operational arrangements as the system is progressively stabilised.

The increasing number of institutions offering online education in an unregulated environment remains a key area of attention, particularly as many of these institutions offer the NSC, which is certified by Umalusi. In the absence of dedicated legislation governing this sector, Umalusi has developed and implemented a set of non-negotiable requirements that assessment bodies must comply with. These requirements are intended to safeguard quality assurance standards, ensure compliance and protect the integrity of the examination system. In addition, Umalusi, in collaboration with five online schools, is undertaking a research initiative aimed at deepening sectoral understanding and testing newly developed accreditation instruments specifically designed for the accreditation of online education provision.

Furthermore, limited public understanding of Umalusi's mandate has resulted in a high volume of enquiries relating to accreditation processes, as well as qualifications and registration matters that fall within the responsibility of other quality councils and education authorities. To address this, Umalusi has strengthened stakeholder engagement by incorporating clearer information on its mandate within the NQF into accreditation-related presentations. This intervention is aimed at improving stakeholder awareness, reducing misdirected queries and enhancing overall understanding of the regulatory landscape.

Table 17: Programme 3: Quality Assurance and Monitoring

Programme 3: Quality Assurance and Monitoring								
Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviations
Enhanced educational standards	3.1 Published quality assurance of assessment reports	3.3.1 Number of quality assurance of assessment reports published for qualifications registered on the GFETQSF	9	9	9	9	None	None
	3.2 Approved question papers	3.2.1 Percentage of received question papers approved per qualification	100% (1 079/1 079)	100% (1 086/1 086)	100%	100% (910/910)	None	None
	3.3 Audited assessment bodies for their state of readiness	3.3.1 Number of assessment bodies audited for their state of readiness to conduct examinations	4	4	4	4	None	None

Programme 3: Quality Assurance and Monitoring								
Outcome	Output	Output indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviations
Enhanced educational standards	3.4 Verified marking	3.4.1 Number of subjects for which verification of marking is conducted	92	95	95	95	None	None
	3.5 Moderated internal assessment	3.5.1 Number of subjects for which moderation of internal assessment is conducted	195	207	200	210	10	TVET introduced analytical moderation to address recurrent ICASS irregularities
	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	98.16% (213/271)	98.83% (169/171)	93%	99.60% (248/249)	6.60%	The appointment of additional staff has contributed positively to strengthening the unit's operational capacity and has supported the achievement of improved performance levels

Programme 3: Quality Assurance and Monitoring								
Outcome	Output	Output Indicator	Audited actual performance 2023/2024	Audited actual performance 2024/2025	Planned annual target 2025/2026	Actual achievement 2025/2026	Deviation from planned target to actual achievement 2025/2026	Reasons for deviations
3.7 Monitored private education institutions	3.7.1 Percentage of identified private education institutions monitored after being granted accreditation		97.09% (200/206)	97.11% (269/277)	92%	98.40% (185/188)	6.40%	The unit tightened its communication protocols with schools. Where schools did not respond to email communication, contact information was garnered from Google searches and social media platforms

Linking performance with budgets

Table 18: Programme 3: Expenditure

Programme 3	2024/2025			2025/2026		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
Quality Assurance and Monitoring	R'000	R'000	R'000	R'000	R'000	R'000
	90,635	91,686	(1,051)	89 615	90 945	(1 330)
Total	90,635	91,686	(1,051)	89 615	90 945	(1 330)

Strategy to overcome areas of under performance

None

EMPOWERMENT OF WOMEN, YOUTH AND PEOPLE WITH DISABILITIES

Table 19: Progress on empowerment of women, youth and people with disabilities

Pillar	Pillar requirements	Plans for 2025/26	Progress on implementing the proposals
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	• Ensure that question papers are free from content that may promote gender-based violence (GBV) or violate human rights • Ensure that all quality assurance instruments are free from bias • Continue organising GBVF awareness sessions to educate employees	Umalusi performance ensured that one of the established criteria for the moderation of question papers specifically addresses bias related to GBV and social norms. Any question paper that does not meet this criterion may not be approved for administration. The moderation instrument, which includes this criterion, was mediated to the newly appointed external moderators during their training on 19 April and 16-17 May 2025. Umalusi conducted an awareness talk on GBV in July 2025. Additionally, external moderators continued to ensure that assessment bodies effectively comply with the criteria on language and bias and that question papers are free from bias regarding gender, culture, race and religion during their development. Umalusi approved the February/March 2026 NC(V) supplementary examination question papers in line with established measures to prevent bias and promote inclusivity. In addition, quality assurance instruments were reviewed and confirmed to be free from bias, thereby strengthening accountability and supporting the development of a system responsive GBVF.
Prevention and rebuilding social cohesion	Changed behaviour and social norms within key groups as a result of the rollout of evidence-based prevention interventions	• To develop an anti-discrimination policy • Ensure that accredited private education institutions have anti-discrimination policies in place	Umalusi ensured that the anti-discrimination policies were checked during site visits in the accreditation process. In addition, the monitoring instruments have been amended to require accredited institutions to submit copies of their anti-discrimination policies for verification. During site visits in the accreditation process, anti-discrimination policies were reviewed. Additionally, the monitoring instruments have been updated to require accredited institutions to submit copies of their anti-discrimination policies for verification.

Pillar	Pillar requirements	Plans for 2025/26	Progress on implementing the proposals
Prevention and rebuilding social cohesion (continued)			Umdlusi continued to promote inclusive and non-discriminatory practices across the system by requiring accredited private education institutions to have anti-discrimination policies. Compliance with these requirements was verified through accreditation and monitoring processes and the principles of inclusivity and equity were reinforced during stakeholder engagements and Quality Promotion sessions. These interventions serve as a preventive measure against discriminatory practices and contribute to the creation of inclusive, equitable and respectful learning environments across institutions.
	Shift away from toxic masculinities towards embracing positive alternative approaches for expressing masculinities and other sexual and gender identities within specific communities/groups	Conduct HCM policy advocacy on a continuous basis	There were no significant developments for the period under review.
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	- Ensure that the organisation operates in alignment with an updated equity plan - Commitment on employment of people with disabilities for certain positions - The organisation to have a clear strategy on how people living with disabilities will be prioritised	Umdlusi continued to align its procurement and employment practices with transformation and empowerment objectives. Over the reporting period, procurement processes consistently prioritised the participation of black-owned, women-owned and youth-owned enterprises. The organisation recorded sustained progress in advancing inclusion across all quarters, reflecting targeted efforts to broaden economic participation. During the financial year, 44 suppliers were appointed in the first quarter, followed by 74 in the second quarter, 21 in the third quarter, and a further 44 suppliers in the fourth quarter. These appointments demonstrated increasing participation by historically disadvantaged groups, particularly black-owned, women-owned and youth-owned enterprises.
		Continuous refinement of the specific goals aimed at the empowerment of women, youth and persons with disabilities through SCM procurement processes	In addition, a service provider was appointed to review and update the equity plan in line with legislative requirements, while efforts to strengthen the inclusion of persons living with disabilities were maintained.

Pillar	Pillar requirements	Plans for 2025/26	Progress on implementing the proposals
Economic empowerment (continued)	Safe workplaces that are free of violence against women and LGBTQIA+ persons, including, but not limited to sexual harassment	Review and strengthen workplace policies on harassment, discrimination and violence, with a focus on women and LGBTQIA+ persons Set up mechanisms for anonymous reporting	There were no significant developments for the period under review.
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	To provide awareness talks through HCM	Umalusi implemented awareness initiatives through its HCM Unit to improve understanding of the extent and nature of GBVF. As part of these initiatives, a disability awareness session was conducted on 6 November 2025, followed by an HIV/AIDS awareness session on 1 December 2025. These interventions contributed to improving awareness among employees regarding social challenges affecting vulnerable groups and supported the promotion of inclusivity and social responsibility within the organisation.
Challenges encountered when prioritising delivery			
The employment of people with disabilities remained a challenge during the period under review.			
Corrective steps to be taken in dealing with challenges			
Umalusi continued to implement measures to enhance workforce inclusivity and representation. These included the utilisation of the PwD database and the dissemination of recruitment opportunities through disability-focused organisations. In addition, targeted messaging was incorporated into recruitment communications to encourage applications from persons with disabilities and youth. These interventions will be sustained and further strengthened to progressively improve employment outcomes for designated groups and to support the organisation's transformation objectives.			

4. REVENUE COLLECTION

Table 20: Revenue Collection

	2024/2025			2025/2026		
Sources of revenue	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
Grant allocation	166,918	166,918	-	174,384	174,384	-
Accreditation fees*	7,100	5,821	1,279	9,262	10,556	(1,294)
Certification fees	7,700	8,574	(874)	9,800	11,629	(1,829)
Verification fees	18,200	21,367	(3,167)	26,200	29,308	(3,108)
Quality Assurance Fees@	-	1,811	(1,811)	-	3,043	(3,043)
Biennial fees@	-	1,956	(1,956)	-	2,547	(2,547)
Rental income	1,350	1,452	(102)	1,636	1,452	184
Interest received	4,100	3,446	654	3,437	2,330	1,107
Donations	-	1,680	(1,680)	-	1,000	(1,000)
Other income	2,860	4,324	-1,464	3,781	4,028	(247)
Total	208,228	217,349	(9,121)	228,500	240 277	(11 777)

* Restated

@ Recognised separately first time in 2025/26 FY

Total revenue (actual) increased by 10% from R218 million in 2024/25 FY to R240 million in 2025/26 FY. The total revenue collection for the 2025/26 FY exceeded the budget by 5% (R11.8 million). The budget for the year was R228.5 million, and the actual collection was R240 million. The budget was adjusted from R218 million to R228.5 million in March 2026. The increase in revenue collection was driven by own revenue (accreditation, certification, verification, and quality assurance fees), which exceeded the budget by 23.9% (R12.9 million). Actual collection was R66.9 million against a budget of R54 million. The budget for own revenue was adjusted from R43.8 million to R54 million in March 2026. The increase in own revenue has moved the grant allocation (transfer) and own revenue ratio from 77:23 in 2024/25 FY to 72.5:27.5 in 2025/26 FY.

5. CAPITAL INVESTMENT

Table 21: Capital Investment

	2024/2025			2025/2026		
Infrastructure projects	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 Umalusi House	417	417	-	-	-	-
Total	417	417	-	-	-	-

There was no expenditure incurred for infrastructure projects in 2025/26 FY



The background features a light gray pattern of concentric circles on a white field. A dark blue geometric shape, resembling a stylized mountain or a series of overlapping triangles, is positioned on the left side. A gold-colored rectangular block is placed diagonally across the middle-left area. Several thin, parallel lines in white and blue are scattered across the composition, adding a sense of movement and design.

PART C: **GOVERNANCE**

1. INTRODUCTION

Corporate governance plays a critical role in every organisation's adherence to mandatory principles of sound governance and leadership values. Although it is not prescriptive, it is essential that the values of sound corporate governance be promoted to achieve high-quality performance of the strategy and control mechanisms. In situations where the values of sound corporate governance are ignored, an organisation will be exposed to a lack of accountability, poor control systems and failure to achieve its performance targets. Umalusi, like many other organisations, fully subscribes without compromise to the values of sound corporate principles.

2. PORTFOLIO COMMITTEES

Umalusi is a public entity that reports administratively to the Minister of Basic Education, with the Minister as the Executive Authority. Umalusi is listed as a Schedule 3A entity in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). Umalusi is governed by the General and Further Education and Training Quality Assurance (GENFETQA) Act, No. 58 of 2001, as amended in 2008.

In terms of reporting to the Portfolio Committee, Umalusi is accountable to Parliament through the department and submits its reports to the Portfolio Committee on Basic Education. The following reports are submitted to Parliament for scrutiny and compliance through the Minister: the Strategic Plan, Annual Performance Plans and Quarterly reports.

Umalusi met the Portfolio and Select Committees as indicated in Table 22.

Table 22: Portfolio and Select Committee meetings

Name of committee	Date of the meeting	Matters discussed
Portfolio Committee on Basic Education (PCBE)	24 April 2025	Umalusi's 2025/26 Annual Performance Plan, the associated budget and a five-year strategic plan.
Portfolio Committee on Basic Education (PCBE)	7 October 2025	Umalusi's Annual Report for the 2024/25 financial year.
Portfolio Committee on Basic Education (PCBE)	24 October 2025	The 2025 state of readiness report. This report focused on the conduct, administration and management of the NSC examinations.
Portfolio Committee on Basic Education (PCBE) & Select Committee on Education, Science and Creative Industries	17 February 2026	Briefing on the November 2025 NSC examinations.

3. EXECUTIVE AUTHORITY

As indicated under the Portfolio Committee, Umalusi reports administratively to the Minister of Basic Education, with the Minister as the Executive Authority. In terms of oversight and accountability, Umalusi submitted the following reports to the Minister in the period under review.

Table 23: Reports submitted to the Minister of Basic Education

Report	Date of submission
2024/25 Q4 Performance Report and Financials	30 April 2025
2024/25 Unaudited Annual Performance Report	30 May 2025
2025/26 Q1 Performance Report, Financials and End Term Report for the 2020-2024 Strategic Plan	31 July 2025
2024/25 Annual Report	30 August 2025
2025/26 Q2 Performance Report and Financials	30 October 2025
2025/26 Q3 Performance Report, Financials and 2026/27 Annual Performance Plan	30 January 2026

Umalusi received feedback on the submitted reports. Where applicable, the Executive Authority identified areas for improvement; however, no material issues were raised.

4. THE ACCOUNTING AUTHORITY/COUNCIL

The Minister of Basic Education is delegated, under the GENFETQA Act, to appoint the Umalusi Council to serve for a period of four years and to be accountable to the Minister for the performance and affairs of Umalusi. The Council retains full and effective control over the entity and must give strategic direction to the management of Umalusi. The Council also has a responsibility to broader stakeholders, including present and potential beneficiaries of the entity's services, clients and employees, to ensure organisational sustainability.

4.1 THE ROLE AND RESPONSIBILITIES OF THE COUNCIL

The Council constitutes the fundamental base of corporate governance in Umalusi. It is tasked with, among others, the following responsibilities:

- Formulate, monitor and review the organisation's strategic plans, performance plans, budgets and risk management strategy.
- Ensure the performance objectives are achieved and that these can be measured.
- Give strategic direction to Umalusi, appoint the Chief Executive Officer and ensure that an effective succession plan for all key executives is in place and adhered to.
- Ensure that Umalusi complies with applicable laws, regulations, government policies and codes of corporate business practice, and

communicates with its relevant stakeholders openly and promptly, with substance prevailing over form.

- Appoint external auditors on the recommendation of the Audit and Risk Committee.
- Ensure that Annual Financial Statements are prepared for each financial year, prepare the Annual Report, comprising audited financial statements for tabling in Parliament.

4.2 COUNCIL CHARTER

The Council developed a charter, approved in 2019 and reviewed in 2026, which serves as the guide to the operations of the Umalusi Council. Thus far, the entity reports that this charter has greatly assisted the Council in fulfilling its fiduciary responsibilities by providing strategic guidance to the management of Umalusi. There have been no audit findings regarding governance prescriptions and compliance over the years. The Council fully complies with the charter's prescriptions.

All governance meetings are held regularly, and Council members' attendance is at the highest satisfactory level of compliance in terms of the charter.

4.3 COMPOSITION OF THE COUNCIL

Table 24: Members of the Council of Umalusi

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Council directorships (including entities)	Other committees or task teams	No. of meetings attended
Prof. Y Ballim	Chairperson	8/06/2022	N/A	PhD	Civil Engineering, Higher Education and Leadership	- CSIR; ABB Education Trust - Gallagher Foundation Trust	- EXCO - ASC	6/6
Mr D Hindle	Member	8/06/2022	N/A	BEd Hons	Sociology & Comparative Education	- ETDP SETA - SADTU SACCO	- EXCO - Qualifications Standards Committee (QSC)	6/6
Dr MS Rakomelesi	CEO	8/06/2022	N/A	PhD LLB	Education	- AEAA - CHE - Helderberg College of Higher Education Council - IAEA - Maluti Adventist College Council - QCTO - SAQA Board	Ex-officio member of all Umalusi Council committees	6/6
Mr NT Johnstone	Member	8/06/ 2022	N/A	BSc HE Diploma	Physiology Education Finance Governance	- IEB - JET Education Services - Christian Brothers Association	Member Umalusi Audit and Risk Committee (ARC)	6/6
Adv MJ Merabe	Member	8/06/2022	N/A	LLM	Education Law	N/A	Chairperson: Accreditation Appeals Committee	4/6

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Council directorships (including entities)	Other committees or task teams	No. of meetings attended
Prof. M Metcalfe	Member	8/06/2022	N/A	Master's in Education	Education	- PILO - SAIDE - Claude Leon Trust	Research Forum	5/6
Dr C Myburgh	Member	8/06/2022	N/A	BCom BCom (Hons) MCom PhD	Industrial Psychologist (HPCSA) Higher Education Management Student Administration Institutional Governance	N/A	- Chairperson of the Accreditation Committee of Council (ACC) - Matriculation Board (USAf) - CHE Institutional Audit Committee (March 2025)	5/6
Mr V Naidoo	Member	8/06/22	N/A	B. Paed BEd (Hon)	Vocational Education and Training Quality Assurance Skills Development	- SAQA - Umalusi - QCTO - NSA	- Ex-officio member of all QCTO Governance committees - Committee for Integrated Post- Schooling Education and Training (PSET) Planning - Ex-officio member of NAADAB - CEO Committee	2/6

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Council directorships (including entities)	Other committees or task teams	No. of meetings attended
Dr W Green	Member	8/06/2022	N/A	PhD	Teacher Education Higher Education	• SAQA • UMALUSI • QCTO	• Ex-officio 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 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	4/6

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Council directorships (including entities)	Other committees or task teams	No. of meetings attended
Ms F Solomon	Member	8/06/2022	N/A	Diploma in Education BA ACE	Education Policy Education Labour Relations	- ETDP SETA - SACE - SAQA	- SADTU NEC - NEAC - NEIC	6/6
Prof. TP Msibi	Deputy Chairperson	8/06/2022	N/A	BEd BEd (Hons) Ed M PhD	Education	- SAIDE - GALA - UKZN Extended Learning	EXCO	5/6
Dr KM Dos Reis	Member	8/06/2022	N/A	D Ed	Accounting Education Mentoring Service Learning Teacher Professional Development Postgraduate supervision	CHE Institutional Audit Committee	Chairperson of the Information and Communication Technology Oversight Committee (ICTOC)	6/6
Dr L Mokotjo	Member	8/06/2022	N/A	PhD in Mathematics Education	Education	N/A	Govan Mbeki Mathematics Development Centre (GMMDC)	6/6
Prof. L Jita	Member	8/06/2022	N/A	PhD	Science Education/ Mathematics Education / Curriculum and Education Policy	N/A	Assessment Standards Committee (ASC)	4/6

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Council directorships (including entities)	Other committees or task teams	No. of meetings attended
Ms N Starr	CEO: SAQA	8/06/2022	N/A	Master's in Education	Education	- CHE - QCTO - SAQA - CEO Committee - HRDC	Committee for Integrated PSET Planning	1/6
Ms LH Moyane	Member	06/09/2022	N/A	Secondary Teachers Diploma BA Diploma in Special Education BA (Hon) cum laude MA African Languages	Education and Leadership	N/A	None	2/6

Name	Designation (in terms of the Public Entity Council structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Council directorships (including entities)	Other committees or task teams	No. of meetings attended
Ms T Futshane	DHET representative	28/10/2023	N/A	Master of Social Change and Development Postgraduate Certificate in Social Change and Development	Higher and Basic Education Training and Development Strategic and Operational Planning Policy Development and Implementation Organisational Development Change Management Human Development	ETDP SETA Accounting Authority	ETDP SETA Accounting Authority Human Resource Committee	0/6
Dr B Mthembu	DBE representative	21/11/2023	N/A	PhD in Philosophy	Education	N/A	N/A	3/6
Dr RE Moraka	Member	1/06/ 2023	N/A	PhD	Education Management	N/A	N/A	3/6

4.4 ALTERNATE MEMBERS

The Chief Executive Officers of the following quality councils serve as the alternate members of the Umalusi Council:

- Umalusi
- Council on Higher Education (CHE)
- Quality Council for Trades and Occupations (QCTO)
- South African Qualifications Authority (SAQA)

4.5 SUCCESSES AND ACHIEVEMENTS

Council successfully fulfilled its mandatory fiduciary obligations without hindrance. All governance meetings for the year 2025/26 were held with satisfactory attendance. The Umalusi strategy was implemented in line with the Strategic Plan 2025-2030 and the 2025/26 APP. It also approved several examination results, mainly the 2025/26 NSC, under the DBE, the IEB and the SACAI.

4.6 COMMITTEES OF COUNCIL

In terms of Chapter 2 of the GENFETQA Act, No. 58 of 2001, the Minister of Basic Education is empowered to establish the Umalusi Council as a juristic person responsible for governance and development and to oversee the implementation of the organisation's strategy and annual operations. This provision is also read with Chapter 5 of the Umalusi Council Charter, which sets out the Council's role. The Council retains full and effective control over the entity and provides strategic direction to the management of Umalusi. Additionally, Chapter 6 of the charter allows the Council to delegate any of its powers and assign any of its duties under the enabling Act to any of its committees; or to any other appropriate body capable of exercising such powers or performing such duties.

To this end, the Council established the following committees with delegated mandates as per their terms of reference:

These committees are:

- Executive Committee of Council (EXCO);
- Accreditation Appeals Committee (AAC);
- Accreditation Committee of Council (ACC);
- Audit and Risk Committee (ARC);
- Assessment Standards Committee (ASC);
- Information and Communications Technology Oversight Committee (ICTOC);
- Qualifications Standards Committee (QSC), and
- Research Forum (RF).

All the committees, headed by chairpersons who are members and non-members of the Council, have been tasked with assisting the Council in fulfilling its mandate, guided by the charters and terms of reference. It is worth noting that membership in these committees, except for the EXCO, consists of external non-Council members with expertise in 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 adherence to the principles of good corporate governance.

4.6.1 Executive Committee of Council (EXCO)

The EXCO, like other committees of the Council, has been established and tasked with the following roles, 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 be deemed necessary;
- To address remuneration matters whenever the need arises; and
- To deal with any other matter delegated to it by the Council.

4.6.1.1 Membership of the EXCO

The Executive Committee consists of members appointed by the Council. The members 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.

4.6.1.2 Achievements

The EXCO held five meetings, of which four were ordinary, approved, scheduled meetings as per the organisation's approved meeting schedule. One special EXCO meeting was held, on 18 August 2025, where management briefed

members on the progress of the Thuto-Mfundo building arbitration matter. Additionally, the EXCO recommended the 2026/27 APP and all quarterly and financial reports to the Council for approval. EXCO successfully recommended the approval of all examination results for qualifications offered by the three assessment bodies registered on the Umalusi qualifications sub-framework. The EXCO also recommended the approval of the 2026/27 quality assurance services fees and tariffs.

4.6.1.3 Meetings

Details of the EXCO meetings held in the period under review are reflected in Table 25:

Table 25: Exco meetings

Committee	No. of meetings held	No. of members	Names of members
Executive Committee	5 29 April 2025 30 July 2025 18 August 2025 (special meeting) 29 October 2025 29 January 2026	6	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)

4.7 ACCREDITATION APPEALS COMMITTEE (AAC)

The AAC is a Council committee established to provide an independent and fair appeals mechanism for private education institutions and private assessment bodies dissatisfied with an accreditation outcome. The AAC adjudicates matters formally referred to the Umalusi Council, where an institution or assessment body has received a “no accreditation” decision or a decision to withdraw accreditation, and contends that the Accreditation Committee of Council (ACC) did not apply the approved criteria, processes or evidence correctly. In considering appeals, the AAC reviews the submission and supporting documentation, interrogates the rationale for the original decision, assesses whether due process was followed and whether the decision is reasonable and defensible in light of the information available at the time. The committee's deliberations and recommendations support consistent, transparent and accountable decision-making, while safeguarding the integrity of Umalusi's quality assurance mandate in the private education sector.

4.7.1 Functions of the committee

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 the opportunity to appeal against a decision or outcome;
- Hearing of provider and external stakeholder appeals in adherence with Umalusi's appeals policies and procedures; and
- Making recommendations to Council.

4.7.2 Membership

- The AAC consists of one legal expert and two qualified professionals with expertise in accreditation;
- The Chair of Umalusi Council appoints the chairperson of the committee; and
- The two professionals are selected from the two quality councils, namely the CHE and QCTO.

4.7.3 Achievements

- During this reporting period, only one application was submitted to the AAC, and the committee upheld the decision of the ACC.

4.7.4 Meetings

Table 26: AAC meetings

Committee	No. of meetings held	No. of members	Names of members
Accreditation Appeals Committee (AAC)	1 18 September 2025	3	1. Adv. J Merabe - Chairperson 2. Dr Phumzile Dlamini - Member 3. Mr David Thaga - Member

4.8 ACCREDITATION COMMITTEE OF COUNCIL (ACC)

The ACC is a Council committee mandated to oversee the accreditation of private education institutions and private assessment bodies within Umalusi's quality assurance environment. Its primary function is to consider accreditation applications and related matters; and to make recommendations that support credible, consistent and transparent decision-making. In doing so, the ACC provides an additional layer of independent oversight to ensure that accreditation decisions are evidence-based, procedurally fair and aligned with the approved criteria, policies and terms of reference.

Through its work, the committee promotes public confidence in the quality and integrity of provision in the private education sector by helping to ensure that institutions and assessment bodies are accredited fairly and credibly.

4.8.1 Functions of the committee

The functions of the ACC, as contained in its approved terms of reference, are to:

- Contribute to the quality assurance of provision in the private education sector for all qualifications registered on the GFETQSF;
- Support the work of the Evaluation and Accreditation (E&A) Unit;
- Consider the recommendations of the E&A secretariat in respect of the accreditation of an institution;

- Write reports on the accreditation applications of private education institutions and present findings at the ACC meeting;
- Recommend the accreditation status of a private education institution/private assessment body;
- Recommend the withdrawal of accreditation status from a private education institution/private assessment body; and
- Provide input on the development of policies for accreditation and monitoring of private education institutions and private assessment bodies.

4.8.2 Membership

- The committee consists of 13 appointed Council members;
- These 13 members comprise:
 - One member selected from the Council membership to act as chairperson;
 - A team of 12 members nominated by the private and public provider sectors served by Umalusi, including assessment bodies;
 - A deputy chairperson selected from the 12 nominated members; and
 - Permanent staff members of Umalusi who act as ex-officio members.

4.8.3 Meetings

Table 27: ACC meetings

Committee	No. of meetings held	No. of members	Names of members
Accreditation Committee of Council (ACC)	5 12 - 13 May 2025 21 -22 July 2025 15 -16 September 2025 10- 11 November 2025 16 - 17 February 2026	13	1. Dr Cila Myburgh – Chairperson 2. Dr Suren Govender – Deputy Chairperson 3. Mr Jacob Abraham – Member 4. Mr Jacob Pienaar – Member 5. Ms Marianne Celliers – Member 6. Prof Zanele Ngcobo – Member 7. Ms Nomsa Mbuli – Member 8. Dr Michael Buthelezi – Member 9. Ms Michelle Mbaco – Member 10. Mr Deon Barnard – Member 11. Mr Ralph Mehl – Member 12. Dr Roy Naicker – Member 13. Dr Nonhlanhla Mthiyane – Member

4.8.4 Achievements

- A draft Regulations for the Accreditation of Private Assessment Bodies Assessing Qualifications registered on the General, and Further Education and Training Qualifications Sub-Framework offered at Private Colleges, made under the GENFETQA Act, 2001, was approved by the ACC;
- The review and strengthening of ACC members' reports contributed to improved consistency, quality and rigour in the committee's evaluation and reporting processes, thereby enhancing the credibility and integrity of Umalusi's accreditation decisions;
- Through its oversight role, the ACC contributed to enhanced quality assurance in the private education sector by ensuring that accreditation recommendations were evidence-based and aligned with approved policies, criteria and governance requirements; and
- The ACC reviewed the indicator relating to Grade 12 learner performance in independent schools, which previously required schools to perform above the national average.

The revised indicator now considers the five-year historical national average and takes into account contextual factors, including the profile of the school, thereby promoting a more balanced, fair and context-sensitive approach to the evaluation of school performance.

4.9 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 perform any management functions. The ARC makes decisions on matters relating to the scope of its responsibilities and presents such decisions to the Council for ratification and approval. The ARC executes its functions through close liaison and communication with management, internal and external auditors and other governance risk and control service providers.

4.9.1 Membership

The ARC consists of a member of Council, the Chief Financial Officer of the DBE and members from the financial and legal fields.

Table 28: ARC meetings

Committee	No. of meetings held	No. of members	Names of members
Audit and Risk Committee (ARC)	6 22 April 2025 27 May 2025 (special ARC meeting) 29 May 2025 (special ARC meeting) 21 July 2025 27 October 2025 27 January 2026	8	Mr P Benade - Chairperson Mr NT Johnstone - Council member Mr P Khunou - DBE CFO Adv WL Lubbe Mr VG Magan CA (SA) Adv A Chowan CA (SA) Dr L Mphahlele-Ntsasa Ms MM Phiri CA (SA)

4.9.2 Key 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.

4.10 ASSESSMENT STANDARDS COMMITTEE (ASC)

The ASC is a committee of Council responsible for overseeing the quality assurance of assessment and the standardisation of examination results.

4.10.1 Functions of the ASC

The detailed functions of the ASC are to:

- Support the work of the Quality Assurance of Assessment (QAA) and Statistical Information and Research (SIR) Units;
- Provide guidance to the QAA and SIR 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 external examination results for all qualifications registered on the GFETQSF, including the SC(a), the NSC, the NC(V) Level 4, and the 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; and
- Where applicable, assist with the identification of research needs that will enhance the quality of assessments and examinations for qualifications on the GFETQSF.

4.10.2 Membership

The ASC comprises 15 members appointed by the Umalusi Council. Members of the ASC are not employees of Umalusi, but are drawn from universities and recognised research

institutions, thereby ensuring professional independence, objectivity, and academic credibility in all deliberations and decision-making processes. The committee is chaired by a Council member and supported by a deputy chairperson appointed from among the nominated members.

Its membership includes statisticians and other relevant professionals with appropriate knowledge of quantitative research projects, large-scale assessments and examinations and qualifications registered on the GFETQSF, as well as expertise across Languages, Mathematics, Social Sciences, Business Management and Natural Sciences.

4.10.3 Meetings

Table 29: ASC meetings

Committee	No. of meetings held	No. of members	Names of members
Assessment Standards Committee (ASC)	3 3 November 2025 9 June 2025 2 February 2026	15	1. Prof. LC Jita - Chairperson 2. Prof. M Monnapula-Mapesela 3. Prof. M Basitere 4. Prof. M Moodley 5. Mr M Monnane 6. Dr KB Samuel 7. Prof. SM Maistry 8. Prof. MA Lesaoana 9. Prof. SM Mosia 10. Prof. NS Zulu 11. Prof. S Hansraj 12. Prof. DE North 13. Dr R Jacobs 14. Dr NP Zondo 15. Prof. MR Mampane

4.9.7 Achievements

Standardisation milestones, as reflected in Table 30.

Table 30: Standardisation milestones

Qualification	DBE	DHET	IEB	SACAI	Total
NSC	2	-	2	2	6
SC	1	-	-	-	1
GETC: ABET	-	2	2	2	6
NC(V)	-	1	-	-	1
NATED Report 190/1 (N2-N3)	-	4	-	-	4
EoR	-	2	-	-	2
Total	3	9	4	4	20

4.11 INFORMATION AND COMMUNICATIONS TECHNOLOGY OVERSIGHT COMMITTEE (ICTOC)

The ICTOC is a committee of Council chaired by a member of Council. This committee was appointed to strengthen strategic ICT alignment in support of organisational objectives and risk mitigation. In the next financial year, the ICTOC will be incorporated into the ARC.

4.11.1 Functions of the ICTOC

The functions of the committee are:

- To conceptualise and oversee Corporate Governance of Information and Communication Technology (CGICT) and its strategic alignment with Umalusi's corporate strategic plan;
- To evaluate, direct and monitor the planning, implementation and execution of the CGICT

and its strategic alignment with Umalusi's strategic plan;

- Coordinate the development and implementation of CGICT, governance and management (G&M) of the ICT framework and other related governance requirements;
- To ensure effective monitoring and evaluation of plans for improvement and the meeting of all objectives; and
- To ensure that its reports are available to the Audit Committee for input, prior to reporting back to Council.

In executing these functions, the outgoing committee has been operating with four external

members, the chairperson (a member of Council), three ICT experts, the CEO and the executive managers.

4.11.2 Membership of the ICTOC

The ICTOC comprises the following:

- Umalusi Executive Management;
- ICT management;
- Professional members who have relevant experience and knowledge in:
 - ICT governance; and
 - Procurement of ICT hardware and software.

4.11.3 Meetings

Table 31: ICTOC meetings

Committee	No. of meetings held	No. of members	Names of members
ICTOC	4 11 April 2025 15 July 2025 04 November 2026 22 January 2026	14 • 5 External members • 9 Internal members	External members 1. Dr Karen Dos Reis - Chairperson 2. Mr Ashley Latchu 3. Mr Sandile Ndaba 4. Mr Potlaki Maine 5. Ms Margaret Phiri Internal members 1. Dr Mafu Rakometsi (CEO) 2. Mr Hendrik van der Walt (CFO) 3. Dr Emmanuel Sibanda 4. Dr Eva Sujee 5. Mr Thato Khaha 6. Mr Dexter Simelane 7. Ms Matilda Mohlala 8. Mr Diketso Mokwena 9. Ms Vhonani Rabada (Secretariat)

4.11.4 Achievements

During the tenure the committee reviewed and recommended the following policies for CEO and Council approval:

- Corporate Governance of Information and Communication Policy;
- ICT Service Continuity Plan;
- ICT Incident Management Policy;
- Information Security Policy; and
- ICT Management Policy.

The committee was also instrumental in the implementation of the following projects:

- Implementation of the Sage Intacct system;
- Development of the certificate replacement system;

- Development and implementation of the accreditation system;
- Implementation of the MS Team telephone system;
- Upgrade of the internet line from State Information Technology Agency (SITA) to a private service provider; this saved the organisation 83% of internet costs;
- Implementation of the Azure cloud;
- Reduced dependency on legacy systems; and
- The AEAA Conference website.

4.12 QUALIFICATIONS STANDARDS COMMITTEE (QSC)

The QSC is a committee of Council formed in terms of section 8, sub-section 1, paragraph (a) of the GENFETQA Act, Act No. 58 of 2001. The QSC is responsible for supporting the work that Umalusi undertakes related to the development or amendment of qualifications and/or the GFETQSF.

It is responsible for formulating policies and recommending draft qualifications to Council for approval. Furthermore, the QSC advises Umalusi in planning for the implementation of the qualifications to be introduced.

4.12.1 Function of the QSC

The functions of the committee are to guide the formulation of suitable qualifications; consider the implications of the development or review of a particular qualification/programme/curriculum; provide in-principle agreement for the need to develop or review a particular qualification,

programme or curriculum; and develop criteria for the appointment of members that will serve on Qualifications Reference Groups.

4.12.2 Membership of the QSC

The QSC comprises 14 distinguished and qualified individuals selected from different educational backgrounds who are broadly representative of the general and further education and training sectors and related interests. These professionals possess vast knowledge and expertise in areas of qualifications, curriculum, and assessment for the GFETQSF, including experience in qualifications related to the Occupational Qualifications Sub-framework (OQSF) and the Higher Education Qualifications Sub-framework (HEQSF).

Additionally, these individuals are held in high esteem for their credentials in qualification design and development; curriculum design and implementation, assessment, as well as certification.

4.12.3 Meetings

Table 32: QSC meetings

Committee	No. of meetings held	No. of members	Names of members
Qualifications Standard Committee (QSC)	4 11 June 2025 21 October 2025 21 November 2025 30 January 2026	14	1. Mr Duncan Hindle - Chairperson 2. Dr Lucky Maluleke 3. Dr Eric Mahlobo 4. Dr Shirley Lloyd 5. Ms Marisa Du Toit 6. Mr Craig Pereira 7. Mr Jones Moloisane 8. Prof. Samukelisiwe Khumalo 9. Mr Timothy McBride 10. Mr Hugh Amooore 11. Ms Diane Kemp 12. Mr Japie Nel 13. Ms Fundiswa Kanise 14. Dr Carina America (resigned, January 2026)

4.10.4 Achievements

The QSC convened four fairly well-attended meetings during the 2025/26 financial year, two of which were held jointly with the Umalusi Research Forum. During these meetings the QSC presided over the internalisation of the NC(V) Levels 2 and 3 examinations as proposed by the DHET and the cessation of quality assurance thereof by Umalusi. The QSC also presided over the regulation of foreign qualifications offered within the GFETQSF. This led to the proposal of a new term (transnational) qualification for

inclusion in the NQF Act, and the development of the draft Regulatory Framework for the Recognition of Transnational Qualifications on the GFETQSF, which Council has approved for presentation to stakeholders.

The committee, further, deliberated and provided comments on the NQF Amendment Bill, 2024, the planned gradual phase-out of the NC(V) and how Umalusi can regulate schools using alternative pedagogical philosophies and alternate curricula.

4.13 RESEARCH FORUM (RF)

Members serving on the Research Forum provide research input and support to Umalusi's SIR Unit.

4.13.1 Functions of the Research Forum

The functions of the RF, as outlined in its approved terms of reference, are to:

- Provide research advice;
- Provide strategic input to research direction;
- Provide a platform for networking with other research organisations;
- Promote the dissemination of research findings through Umalusi's publications and other media; and
- Assist with the conceptualisation of selected seminars and webinars.

4.13.2 Membership

The RF consists of professionals in education with specific knowledge and expertise in conceptualising, designing and evaluating research projects across the GFET sectors (schools, colleges and adult education and training).

4.13.3 Meetings

Table 33: Research Forum meetings

Committee	No. of meetings held	No. of members	Names of members
Research Forum	3 7 May 2025 21 November 2025 (joint meeting with QSC) 30 January 2026 (joint meeting with QSC)	12	1. Prof. Mary Metcalfe - Chairperson 2. Prof. Saloshna Vandeyar 3. Dr Seshoka Rapeta 4. Dr Vijay Reddy 5. Prof. Salim Akoojee 6. Prof. Mmushetji Rankhumise 7. Prof. Volker Schoer 8. Prof. Mbulungeni Madiba 9. Prof. Sarah Gravett 10. Dr Heidi Bolton 11. Dr Bongiwe Hobololo 12. Dr Marco MacFarlane

During the 2025/26 annual cycle, the Research Forum held one meeting and two joint meetings with the QSC.

In addition, this period also created platforms for intellectual engagement through the hosting of several seminars, workshops and conferences aimed at strengthening general and further education and training.

The following are some of the events hosted over the past few years:

The first Research Forum meeting, held on 7 May 2025, considered several strategic developments with implications for quality assurance in the GFETQSF. Umalusi provided an update on the language compensation matter, following discussions at the Council of Education Ministers (CEM). The Forum noted the ongoing policy developments relating to language compensation, including the distinction between policy and standardisation responsibilities.

The Forum received an update on the National Senior Certificate for Adults (NASCA), noting progress made by the ministerial task team established to review the qualification. In addition, the DBE presented progress on several key policy and curriculum reform initiatives, including mother tongue-based bilingual education, the General Education Certificate, the three-stream model and the Mathematics strategy.

Following these presentations, the Forum highlighted the importance of thorough planning and coordination in implementing these reforms. It recommended that the DBE provide Umalusi with comprehensive concept documents outlining the policy rationale, implementation approach, assessment implications, resource requirements and other strategic considerations to support effective quality assurance oversight.

The second Research Forum meeting held jointly with the QSC, on 21 November 2025, focused on policy and regulatory matters relating to the proposed internalisation of the NC(V) Levels 2 and 3 examinations.

The joint meeting considered the implications of the proposed directive for qualification standards, certification processes, learner progression and the broader TVET system. Following its deliberations, the joint meeting recommended that Council approve Umalusi Executive Management's proposal to retain the existing minimum entrance requirements for

NC(V) Levels 3 and 4. It further recommended that Umalusi communicate its concerns to the Minister regarding key implementation risks, including legislative processes, certification system readiness, learner progression, stakeholder communication and the potential need for a comprehensive review of the NC(V) Level 4 qualification.

The third Research Forum meeting, held jointly with the QSC on 30 January 2026, considered several strategic developments relating to the future of TVET, regulatory frameworks and alternative curricula. The DHET presented an update on the planned phasing out of the NC(V) qualification as part of broader reforms to strengthen occupationally directed programmes within the TVET sector. The meeting discussed the implications of these developments for qualification management, quality assurance systems and institutional readiness. It recommended that Umalusi engage the DHET on the processes to be followed when qualifications are phased out and to facilitate broader stakeholder engagement to promote greater alignment in the development and management of TVET qualifications.

Additionally, the Forum has participated in hosting the following seminars and webinars:

- A webinar, held on 5 September 2025, titled ***"Towards the development of a qualification for learners with mild to moderate intellectual disabilities"***, explored the nature of Schools of Skills, learner profiles, common learning barriers and challenges, as well as opportunities associated with these schools. The webinar also outlined Umalusi's commitment to addressing the gap affecting learners with MID who exit the system without a qualification.
- A seminar titled ***"Going digital: challenges and opportunities in online education and assessment"*** was held on 18 September 2025. The seminar engaged stakeholders on the current state of online education and its associated challenges, while also exploring innovations and opportunities to improve the effectiveness of online basic education and assessment. The programme included keynote addresses and a panel discussion attended by representatives from universities, schools, TVET colleges, unions, the SACE (South African Council for Educators), the DBE and industry partners involved in basic education initiatives.

- A closed seminar, held on 30 October 2025, titled ***“Standards of African Home Languages in the NSC”***, facilitated robust discussions among African languages experts aimed at developing evidence-based recommendations to ensure authentic comparability and equity of opportunity across African language examinations.
- A closed Umalusi webinar, titled ***“Consultation on the online assessment framework”***, was held on 11 December 2025 to review the framework for online assessment.
- A seminar held on 20 February 2026, titled ***“Bridging the divide: unpacking the Mathematics vs. Mathematical Literacy enigma in South African schools”***, explored the purpose, curriculum and assessment of Mathematics and Mathematical Literacy in South African schools.
- A seminar, held on 20 March 2026, titled ***“Beyond the rankings: understanding NSC league tables, equity and accountability”***, interrogated the systemic implications of using annual NSC results to construct provincial- and district-level school league tables.

4.14 REMUNERATION OF COUNCIL MEMBERS

Umalusi pays an honorarium to Council members in accordance with the directive issued by the National Treasury and approved annually by the Council. Members are remunerated, under normal circumstances, for one day for preparation and one day for meeting attendance. For online meetings, Umalusi also reimburses members for data usage based on a duration scale. Annually, the National Treasury determines the remuneration of the chairperson, deputy chairperson, member and chairpersons of Council committees.

Members who are not remunerated

The following members were not remunerated during the period under review, for the reasons noted:

- Chief executive officers of the quality councils are not eligible to claim any reimbursements;
- Dr Barney Mthembu and Ms Thembisa Futshane are public servants representing the Ministers of Basic Education and Higher Education and Training, respectively, in the Council; and
- Ms Lucy Moyane was not paid an honorarium as the representative of the Heads of Education Departments Committee (HEDCOM) on the Council. She was only reimbursed for the kilometres travelled to the meeting.

The full details for travel, reimbursement and remuneration are contained in Section 24 of the Annual Financial Statements (PART F).

5. RISK MANAGEMENT

Umalusi continues to demonstrate a proactive and accountable risk management culture by integrating risk management into its governance, strategic planning and operational processes. The organisation is adequately capacitated to manage risk through an approved risk management framework, risk management policy, risk management strategy and implementation plan, risk appetite and tolerance statement and a dedicated risk management function. Risk management responsibilities have been assigned to management, risk owners, risk champions and the Risk Management Committee (RMC), with risk owners accountable for implementing and monitoring approved risk treatment plans.

The key risk management documents provide the foundation for the effective implementation of risk management across the organisation. They have been communicated to management and relevant stakeholders through governance structures, awareness sessions and internal communication channels to ensure a common understanding of Umalusi's approach to identifying, assessing, managing and reporting risks.

Regular risk assessments are conducted in line with the approved strategy and implementation plan to evaluate the effectiveness of existing controls, identify changes in the internal and external operating environment and detect new and emerging risks that may affect the achievement of strategic and operational objectives.

Umalusi has established an RMC to provide independent oversight of the organisation's risk management framework. The committee reports quarterly to the ARC on the effectiveness of

the overall risk management system, including the identification, assessment, monitoring and mitigation of strategic, operational, financial, compliance and emerging risks. The ARC, in turn, provides independent oversight and advisory support to the public entity on the effectiveness of risk management, internal controls and governance processes.

Umalusi has also adopted and approved a risk appetite and tolerance statement, which provides clear guidance on the level and types of risk the entity is willing to accept in pursuit of its strategic objectives. Adherence to the approved risk appetite is monitored through regular risk assessments, quarterly risk reporting, monitoring key risk indicators and oversight by the relevant governance committees and Council. Each risk is assessed in terms of its likelihood and potential impact on the achievement of strategic and operational objectives, and is assigned inherent and residual risk ratings after considering the effectiveness of existing controls.

Risks that exceed the approved appetite and tolerance levels are addressed through mitigation actions developed and implemented by the relevant risk owners. These risks are monitored on an ongoing basis through the implementation of risk mitigation plans, quarterly assessments and regular reporting to management, the RMC and Council.

Through these measures, Umalusi has made measurable progress in strengthening its risk management practices, improving governance, enhancing internal controls, increasing compliance and supporting more informed decision-making in the achievement of organisational objectives.

6. INTERNAL CONTROL UNIT

The organisation does not have a separate internal control unit due to its size; instead, each business unit (Programme) is responsible for ensuring the proper functioning of internal controls in its area. The organisation's system of internal controls is designed to be both adequate and effective in achieving good performance outcomes. These controls also ensure that financial records are complete, accurate, reliable and verifiable.

The internal control environment is further strengthened by approved policies, which are regularly reviewed. These reviews take into account auditor recommendations, changes in the legislative environment and newly identified risks. Policies and procedures are communicated clearly to all staff and are continuously updated to adapt to the evolving operational landscape.

Internal controls are monitored daily basis reported to executive management monthly during Office of the Chief Executive Officer (OCEO) meetings. Independent reviews of internal controls are conducted by the appointed internal auditors, a function outsourced to Nexia SAB&T, who report directly to the ARC.

During the year under review, the internal auditors completed all planned audits in accordance with the approved audit plan. All audit findings were reported to the ARC, and management has taken corrective action as recommended by the auditors to address identified issues.

7. INTERNAL AUDIT & AUDIT AND RISK COMMITTEE

Due to Umalusi's nature and size, the internal audit function is outsourced to Nexia SAB&T. The Council did not consider it economical and efficient to establish an in-house internal audit function. Nexia SAB&T reports functionally to the ARC and administratively to the CEO.

The internal auditors have unrestricted access to Umalusi's financial records and performance information. In collaboration with management, they developed a comprehensive three-year audit plan to guide their activities.

All audits, as per the approved internal audit plan for 2025/26, were completed and reported to ARC. Table 34 reflects the audit work done:

Table 34: Audit work done

No.	Audit activity
1.	SCM
2.	Statistical Information and Research (SIR)
3.	AFS review
4.	IFS review Q2
5.	IFS review Q3
6.1	Audit of Predetermined Objectives Q1
6.2	Audit of Predetermined Objectives Q2
6.3	Audit of Predetermined Objectives Q3
6.4	Audit of Predetermined Objectives Q4
6.5	Audit of Predetermined Objectives cumulative
7.	Review of the 2025/2026 Annual Performance Report
8.	Follow-up Review of IA/EA Findings

Three ad hoc projects were conducted during the 2025/26 FY: the review of IFS Q1, review of the newly implemented Sage Intacct system and the banking services tender submissions review before the awarding of the tender.

The internal audit findings raised in 2024/25 FY were all cleared except for one finding relating to the management information system (MIS).

Table 35: Status of audit findings addressed

	Number of findings	Total addressed	Not yet due	Total not addressed	No. of recurring findings last 3 financial years
IA findings	3 (SCM 3 low rated findings)		3		None

The ARC provides independent, objective oversight and reviews. However, it does not assume any management responsibilities or perform any management functions. The ARC makes decisions on matters relating to the scope of its responsibilities and presents such decisions to the Council for ratification.

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

The committee adopted appropriate formal terms of reference as its ARC 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. In terms of remuneration, members were paid an honorarium of R2 698 for each meeting and the Chairperson an amount of R4 446.

Table 36: Audit Committee meetings

Name (Full Name and Surname, including professional titles)	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: term of office		No. of meetings attended 2025/26		Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc., whether in this or any other institution(s)
			Start date	End date	Ordinary meetings	Special meetings				
Mr P Benade	B Com: National diploma (state accounting and finance)		8 June 2022	7 June 2026	22 April 21 July 27 October 26 January 2027	27 May 29 May	Not every meeting – but annually	No	None	None
Mr NT Johnstone (Council member)	BSc Physiology		8 June 2022	7 June 2026	22 April 21 July 26 January 2027	27 May 29 May		No	None	CIE Investment Company - 2002 CIE Education Services (Pty) Ltd - 2002 Independent Examinations Board – 1999 Christian Brothers Association (NPC) - 2015
Mr P Khunou (CFO: DBE)	BCom (Accounting: Senior leadership development programme)		8 June 2022	7 June 2026		27 May 29 May		Yes	None	Hunadi Rampata Trust -2004
Adv WL Lubbe	Bachelor of law: LLB Postgraduate diploma in compliance	ICFP FP(SA)	8 June 2022	7 June 2026	22 April 21 July 27 October 26 January 2027	27 May 29 May		No	None	Jatelle Family Trust – 2021 Independent Government Specialist (Pty) - Ltd 2016
Mr VG Magan	CA (SA) Master's degree in business leadership	SAICA	8 June 2022	7 June 2026	22 April 21 July 27 October 26 January 2027	27 May 29 May		No	None	None

Name (Full Name and Surname, including professional titles)	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: term of office			No. of meetings attended 2025/26		Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End date		Ordinary meetings	Special meetings				
Ms MM Phiri	CA (SA)	SAICA	8 June 2022	7 June 2026		22 April 21 July 27 October 26 January 2027	27 May 29 May		No	None	Seoka Phiri Construction and Transportation-2018 Lethamatshe and Associates – 2019 Mohale Seoka Consulting – 2019 SASRIA Insurance – 2020 UL Enterprises Private Company -2023 Legal Practitioner A Fidelity Fund – 2024 Avbob Insurance - 2025
Adv A Chowan	LLB (cum laude) CA(SA)	JHB Advocate Society SAICA	8 June 2022	7 June 2026		21 July 27 October 26 January 2027	27 May 29 May		No	None	Khula Sizwe -2022 Quantanite- 2022 CBRTA- 2021 Communicare 2021
Dr L Mphahlele-Ntsasa	PhD: Leadership (Strategic management framework for intergovernmental collaborations)		8 June 2022	7 June 2026		22 April 21 July 27 October 26 January 2027	27 May 29 May		No	Consulting, Publishing and Digital Assets (Not operational) Oversight in terms of the PFMA State-Owned Telecommunications Company	Amperion Group (Pty) Ltd – 2020 Matajini Investments (Pty) Ltd -2006 Mvezi Investments (Pty) Ltd - 2007

Remuneration of audit committee members

ARC members were paid an honorarium of R2 698 for each meeting attended. The Chairperson was paid an honorarium of R4 446. These payments are in line with National Treasury directives, dated 2023 and Umalusi Council approved Tariffs and Rebates, approved January 2025, Addendum 6. Audit committee members who worked or are working for an organ of state are not remunerated. The total audit committee expenditure for the reporting period was R 298 528,51.

8. COMPLIANCE WITH LAWS AND REGULATIONS

A compliance checklist has been developed and is updated quarterly. Policies are formulated with careful consideration of the legislative environment to ensure compliance with all relevant laws and regulations.

Umalusi reports quarterly to the DBE and National Treasury on its compliance status, based on the prescribed compliance checklist. Furthermore, confirmation of compliance is provided to both the ARC and the Council.

9. 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 223 680 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, all cases involving the sale of fraudulent certificates were referred to the South African Police Services (SAPS), while those involving examination irregularities were referred to the relevant assessment body.

Additionally, to raise awareness among its employees, Umalusi conducted its first Fraud Prevention and Corruption Awareness session on 1 October 2024, facilitated by the Special Investigating Unit (SIU).

10. MINIMISING CONFLICT OF INTEREST

To minimise the risk of conflict of interest, we have put several proactive processes in place:

Mandatory declaration of interest

All officials involved in SCM processes, including Bid Committees (BSC, BEC, BAC) and any staff participating in procurement decisions, are required to complete a declaration of interest form at every stage of the procurement process. This is not treated as a tick-box exercise but rather as a meaningful commitment to ethical behaviour.

Supplier declarations

Similarly, prospective suppliers are required to disclose any existing or potential conflict of interest when submitting bids (SBD 4). This includes disclosing relationships with employees or any interests that could improperly influence the procurement outcome.

Training and awareness

Regular training and awareness sessions are conducted with SCM staff and other role players to ensure everyone understands what constitutes a conflict of interest, how to identify it and the importance of declaring it.

Rotation of committee members

Where possible, we rotate committee members to avoid familiarity risks, reduce undue influence and maintain objectivity.

Internal checks and balances

We have embedded control mechanisms within our systems. Before final approvals, declarations are reviewed again to ensure nothing has changed during the process.

The process followed when a conflict of interest is identified:

- » **Immediate disclosure:** The individual involved is required to immediately disclose the nature of the conflict, whether it is direct or indirect.
- » **Recusal:** The individual with the conflict is formally recused from any further involvement in that specific procurement process. This is documented in the minutes of the relevant meeting to ensure transparency and auditability.

- » **Reporting:** In line with National Treasury Regulations and our internal policies, material conflicts of interest are reported to senior management, and if necessary, to external oversight bodies.
- » **Documentation:** All steps taken including disclosures, recusals and decisions are thoroughly documented. This protects both the integrity of the process and the individuals involved.

11. CODE OF CONDUCT

Umalusi is committed to dealing fairly and with integrity in the conduct of its business. This commitment is based on a fundamental belief that business should be conducted honestly, fairly and legally. Umalusi expects all members of staff to share its commitment to high moral, ethical and legal standards.

These principles are communicated to all newly appointed employees during the induction programme, where the Code of Conduct and the organisation's expected standards of ethical behaviour are emphasised. This ensures that employees understand their responsibilities and obligations from the commencement of their employment.

12. 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 level 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 will work with employees' representatives 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 are in place:

- Recycling of used paper and printing consumables;
- Solar geyser at 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

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

Their responsibilities include, among others, the following:

- To identify potential hazards that may prevail while work is being done, i.e., when something is being produced, processed, used, stored or transported and any equipment is being used;

- To establish necessary precautionary measures to protect employees against the identified hazards and provide the means to implement these measures;
- To 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 and safety thereof has been assured;
- To follow all steps and procedures to ensure that all employees comply with the requirements of the Occupational Health and Safety (OHS) Act; and
- To enforce necessary control measures in the interests of health, safety and well-being.

The above are practised to achieve, among others:

1. Commitment in striving for legal compliance in the workplace;
2. The effective management of firefighting equipment: its availability, inspections and servicing of this equipment to ensure availability and compliance with fire regulations;
3. Assurance that existing buildings and structures are compliant and in good condition, with emergency signage in place to indicate emergency exits and firefighting equipment;
4. Continuous training of Health and Safety Committee members in terms of the OHS Act; and
5. Continuous maintenance, repairs and servicing of buildings and equipment to ensure a safe working environment.

13. SECRETARY OF THE COUNCIL

The secretary of the Council is Mr NH Moloise.

14. SOCIAL RESPONSIBILITY

As part of its social responsibility mandate, Umalusi marked the 2025 Nelson Mandela International Day in two meaningful phases, both rooted in service and community upliftment.

In the first phase, Umalusi took its services to the OR Tambo Coastal District Department of Education in Mthatha, Eastern Cape, on 18 July 2025, with activities hosted at Riverside Senior Secondary School in Covana A/A. The visit aimed to engage with victims of the devastating floods that affected the Mthatha area in June to July 2025. Specifically, Umalusi sought to identify holders of Umalusi certificates who may have lost their certificates during the floods.

On the day, Umalusi officials interacted with 250 community members. Based on the information gathered, Umalusi management approved the re-issue of certificates, free of charge, to all qualifying flood victims. Of the 250 community members assisted, 208 qualified for re-issue certificates.

The printed certificates were dispatched to the OR Tambo District Office in Mthatha for collection by their rightful owners.

The second phase of the campaign took place on 25 July 2025, when Umalusi ambassadors dedicated 67 minutes in honour of Nelson Mandela's legacy to speak to primary school learners about the importance of reading for meaning in their home languages. This initiative reached three schools across three provinces:

- Mehlwana Primary School in rural Gingindlovu, KwaZulu-Natal
- Stillwater Intermediate School in Phelindaba, Northern Cape
- Chumisa Primary School in Khayelitsha, Western Cape

At each school, Umalusi officials encouraged teachers and learners to dedicate at least 67 minutes daily to reading books and discussing their content in reading corners and reading clubs.

15. AUDIT AND RISK COMMITTEE REPORT

Audit and Risk Committee is pleased to present its report for the financial year ending 31 March 2026.

Audit and Risk Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. 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 its responsibilities as contained therein. The Council has approved the charter.

The Effectiveness of Internal Control

The Committee ensured that Nexia SAB&T Chartered Accountants Inc.'s internal audit function was independent and had the necessary resources, standing, and authority to discharge its duties. Furthermore, the Committee oversaw cooperation between internal and external auditors and linked 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 Umalusi's operations.

Our review of the Internal Audit work's findings, which were based on the risk assessments conducted in the public entity, revealed certain weaknesses, which were then raised with the management.

The following internal audit work was completed during the year under review:

- Procurement review
- Statistical Information and Research (SIR)
- Follow up review of internal and external audit findings
- Ad hoc review of interim financial statements quarter 1
- Review of interim financial statements quarter 2
- Review of interim financial statements quarter 3
- Annual financial statements review

- Audit of predetermined objectives for quarters 1 to 4
- Audit of predetermined objectives cumulative review
- Review of the 2025/26 annual performance report

The audit reviews did not identify any significant control weaknesses.

The internal control system applied by Umalusi for 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, the identification of corrective actions, and suggested enhancements to the controls and procedures from the reports of the internal auditors, the audit report on the Annual Financial Statements, and the management report.

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. Progress against the risk register was monitored 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.

The Committee is satisfied with Nexia SAB&T's performance in the internal audit function during the financial year.

In-Year Management and Quarterly Report

Umalusi has reported quarterly to the National Treasury as required by the PFMA.

Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

- Reviewed the annual financial statements prepared by Umalusi.
- Reviewed the external auditor's management report and management's response to it.
- Reviewed Umalusi's compliance with legal and regulatory provisions; and
- Reviewed changes in accounting policies and practices.

Auditor's Report

The Committee have reviewed Umalusi's implementation plan for audit issues raised in the prior year, and we are satisfied that the matters have been adequately resolved.

The Committee concurs and accepts the conclusion of PricewaterhouseCoopers Incorporated, appointed external auditors for Umalusi, with the consent of the Auditor General of South Africa, on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report from PwC.



Mr Faizal Docrat

Chairperson of the Audit and Risk Committee
Umalusi

31 July 2026

16. BEE COMPLIANCE PERFORMANCE INFORMATION

Table 37: BEE Compliance Performance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
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 Broad Based Black Economic Empowerment?	N/A	N/A





PART D: **HUMAN CAPITAL MANAGEMENT**

1. INTRODUCTION

1.1 OVERVIEW OF HUMAN RESOURCES (HR) MATTERS

The Human Capital Management (HCM) sub-programme serves as a strategic business partner, supporting Umalusi in achieving its strategic objectives through the effective management of its human capital. The sub-programme focuses on strengthening organisational capability by implementing human capital policies, systems and practices that promote sound governance, legislative compliance and operational efficiency across the employee life cycle.

Key focus areas include the attraction, recruitment and retention of suitably qualified employees, the implementation of performance and talent management initiatives, employee wellness, remuneration and benefits administration, labour and employee relations, learning and development and organisational development. The sub-programme also provides strategic advice and operational support to management while fostering positive employee relations and ensuring compliance with applicable labour legislation and organisational policies.

The HCM Unit is committed to maintaining appropriate staffing levels by facilitating efficient recruitment and selection processes, supporting succession planning initiatives and monitoring the organisational vacancy rate against approved targets. The unit also promotes employee engagement, organisational effectiveness and continuous improvement through the implementation of human capital strategies that support business needs and organisational performance.

Overall, the HCM sub-programme applies integrated human capital management practices across the employee life cycle from workforce planning and recruitment to performance management, employee development and separation to maximise employee value, strengthen organisational capability, and support the achievement of Umalusi's strategic and operational objectives.

1.2 HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

The HCM sub-programme implements an approved Operational Plan from which its key performance areas and operational priorities are derived. The sub-programme's primary operational priorities include the following:

i) Maintenance of the vacancy rate below 10%

The HCM sub-programme, as a strategic business partner and support function, implements human capital planning strategies aimed at facilitating the timely filling of vacant positions to ensure business continuity and support the achievement of Umalusi's strategic objectives. The sub-programme continuously monitors the organisational vacancy rate and implements appropriate recruitment interventions to maintain staffing levels within the approved target.

ii) Strengthening HCM governance

The sub-programme continuously reviews, develops and implements HCM policies and standard operating procedures to strengthen governance and promote fairness, equity, consistency and transparency in the management of employees. Policy reviews ensure alignment with applicable legislation, regulatory requirements and emerging HCM practices.

Draft policies and standard operating procedures are presented to the Policy Advisory Forum (PAF) for consultation and input prior to approval, thereby promoting stakeholder participation and sound governance throughout the policy development process.

iii) Transformation awareness and policy advocacy

The HCM sub-programme promotes awareness and understanding of approved HCM policies through ongoing policy advocacy initiatives. These include awareness sessions, stakeholder engagements and the dissemination of policy summaries, guidance notes and policy extracts throughout the financial year, to ensure employees remain informed of their rights, responsibilities and organisational requirements.

The sub-programme also facilitates awareness initiatives that promote employee wellness, psychosocial support, diversity, inclusion and transformation in the organisation.

iv) Implementation of the employee induction programme

The sub-programme coordinates and facilitates the formal induction programme for newly appointed employees. The induction programme introduces employees to Umalusi's legislative mandate, organisational structure, governance framework, policies, procedures, values, conditions of service and workplace expectations, enabling employees to integrate effectively into the organisation.

v) Implementation of training and development initiatives

The HCM sub-programme facilitates learning and development interventions aimed at enhancing employees' knowledge, competencies and professional skills in support of organisational performance and continuous improvement.

Employees are encouraged to participate in training programmes, professional development opportunities and formal academic studies. The organisation further supports employee development through its study assistance programme, subject to the applicable policy provisions, thereby contributing to skills development, succession planning and career advancement.

vi) Transformation awareness programmes

The sub-programme coordinates and facilitates transformation awareness initiatives that support employment equity, diversity, inclusion and organisational transformation. These initiatives promote an inclusive workplace culture, foster mutual respect and contribute to the achievement of the organisation's employment equity objectives.

vii) Implementation of the approved file plan

The HCM sub-programme implements the approved records management file plan to ensure the effective management of employee records throughout their lifecycle. This includes the maintenance and review of personnel files, implementation of electronic records management initiatives, routine records audits, secure off-site records management and the disposal of records in accordance with

the approved records retention and disposal schedule.

These initiatives support legislative compliance, improve information governance and contribute to the efficient management of human capital records.

viii) Compliance with legislation

The HCM sub-programme ensures that all practices, policies and procedures remain aligned with the applicable legislative and regulatory framework governing employment and labour relations. Continuous monitoring of legislative developments enables the sub-programme to maintain compliance, strengthen governance and minimise organisational risk while supporting fair, ethical and consistent HCM practices.

1.3 WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

The HCM sub-programme continued to implement workforce planning strategies aimed at attracting, recruiting and retaining a skilled and capable workforce to support the achievement of Umalusi's strategic objectives. Workforce planning includes the continuous monitoring of staffing levels, succession planning, vacancy management and the implementation of targeted recruitment initiatives to ensure that critical positions are filled within reasonable timeframes.

During the financial year under review, the organisational vacancy rate was maintained below the approved target of 10%, with the vacancy rate standing at 6% at the end of the reporting period.

1.4 EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The PMDS provides the framework for managing, measuring and enhancing individual and organisational performance. The system is aligned to the organisation's strategic objectives and incorporates a performance-based reward component aimed at recognising and rewarding employee performance while promoting continuous learning, development and accountability.

An effective performance management system supports organisational success by aligning individual performance with business objectives, facilitating goal setting, monitoring performance, providing constructive feedback and evaluating performance outcomes. This enables employees to perform optimally and contribute meaningfully to the achievement of Umalusi's strategic and operational objectives.

During the reporting period, the automation of the PMDS was successfully completed. The piloting phase was concluded, and the system is now fully configured and ready for implementation, marking a significant milestone in enhancing the efficiency, accuracy and effectiveness of the organisation's performance management processes.

1.5 EMPLOYEE WELLNESS PROGRAMMES

Employee wellness remains a key priority of the sub-programme. Wellness initiatives promote employees' physical, emotional, mental, financial and social well-being through the implementation of the Employee Wellness Programme and Employee Assistance Programme (EAP).

Wellness interventions include wellness awareness campaigns, health promotion initiatives, wellness days, educational seminars, counselling services, monthly wellness communication and awareness material, all aimed at promoting a healthy, productive and resilient workforce. During the reporting period, a new EAP service provider was appointed to strengthen the delivery of employee wellness services and enhance access to comprehensive wellness and support programmes for employees.

1.6 POLICY DEVELOPMENT

The HCM sub-programme regularly reviews, develops and implements human capital policies and related standard operating procedures to ensure alignment with applicable legislation, evolving HCM practices and the organisation's strategic and operational requirements. These initiatives strengthen governance, promote consistency and transparency in the application of human capital practices and ensure that employees are treated fairly, equitably and in accordance with the organisation's policies and legislative obligations.

In line with good governance and risk management practices, stakeholder consultation was conducted during the development and review of HCM policies. The Overtime Policy and the Disciplinary Policy and Procedure were reviewed during the reporting period.

1.7 HIGHLIGHTS AND KEY ACHIEVEMENTS

During the reporting period, the sub-programme achieved several significant milestones aimed at strengthening HCM practices, improving service delivery and enhancing operational efficiency. Key achievements include:

- 1.7.1 The automation of the PMDS represents a significant milestone in modernising performance management processes. The online system streamlines performance planning, monitoring and assessment processes, reduces administrative burden and manual errors, improves transparency and accountability and enhances the overall efficiency of performance management across the organisation.
- 1.7.2 Ninety-nine percent of the training interventions included in the approved Training Plan for the reporting period were successfully implemented. The implementation of these training interventions contributes to enhanced employee knowledge, skills and competencies, enabling employees to perform their functions more effectively and efficiently. Continuous learning and development improve productivity, support employee growth and satisfaction, strengthen organisational capability and contribute to the achievement of Umalusi's strategic and operational objectives.
- 1.7.3 Two successful wellness days were conducted, during which all staff participated in the activities arranged. The Government Employees Medical Scheme (GEMS) conducted health risk assessments and neck and shoulder massages for employees. The wellness day activities boosted staff morale and encouraged teamwork.
- 1.7.4 The introduction of the online recruitment system modernises the recruitment and selection process by streamlining hiring workflows, reducing recruitment turnaround times, improving record management and enhancing the overall candidate experience. The system also strengthens governance by providing a more efficient, transparent and auditable recruitment process.

- 1.7.5 A new EAP service provider was appointed to strengthen employee wellness initiatives and provide employees with access to comprehensive professional support services. The enhanced programme promotes employee well-being, supports mental health, improves workplace productivity and contributes to a healthy and resilient workforce.
- 1.7.6 The HCM sub-programme successfully implemented the approved cost-of-living salary adjustments, housing allowance increases, notch increases and performance bonuses in accordance with the organisation's approved policies and governance processes. These interventions contribute to employee motivation, recognise performance and reinforce the organisation's employee value proposition.

1.8 CHALLENGES FACED BY THE PUBLIC ENTITY

- 1.8.1 The ageing workforce: Umalusi continues to face the challenge of an ageing workforce, with a number of employees approaching retirement age. This presents a potential risk to organisational sustainability, institutional memory, knowledge retention and business continuity, particularly in critical and specialised functions. To mitigate this risk, the organisation implements succession planning initiatives aimed at identifying and developing suitably qualified employees to assume critical roles as they become vacant. Succession planning is supported by talent development and knowledge-sharing that facilitate the transfer of institutional knowledge and technical expertise from employees approaching retirement to their successors.

These interventions contribute to workforce sustainability, strengthen organisational capability and support the continued achievement of Umalusi's strategic objectives.

- 1.8.2 Digital transformation and change management: the implementation of digital HCM solutions requires continuous change management, user adoption and capacity-building initiatives. Ensuring that employees and managers fully utilise new digital platforms remains an important focus area to maximise operational efficiencies and improve service delivery.

1.9 FUTURE HCM PLANS/GOALS

Looking ahead, the HCM sub-programme will continue to implement initiatives aimed at strengthening governance, enhancing operational efficiency and supporting the achievement of Umalusi's strategic objectives. Key priorities include:

- 1.9.1 Maintaining an optimal vacancy rate by implementing workforce planning and targeted recruitment strategies to keep the organisational vacancy rate as low as possible; ensuring that critical vacancies are filled timeously to support business continuity and service delivery.
- 1.9.2 Seeking to retain experienced and qualified employees.
- 1.9.3 Implementation and optimisation of the online PMDS.
- 1.9.4 Continuous review of HCM policies and systems.
- 1.9.5 Implementing an online claim system for all contract workers.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 PERSONNEL RELATED EXPENDITURE

Table 38: 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)
Programme 1	107 833	55 355	51%	66	839
Programme 2	38 147	26 319	69%	33	798
Programme 3	90 479	36 125	40%	47	769
TOTAL	236 459	117 799	50%	146	807

Table 39: 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	9 862	8%	4	2 466
Senior Management	15 601	13%	10	1 560
Professional Qualified	61 751	52%	63	980
Skilled	11 393	10%	20	570
Semi-skilled	17 553	15%	44	399
Unskilled	1 639	1%	5	328
TOTAL	117 799	100%	146	807

Table 40: Performance rewards

Programme/activity/objective	Performance rewards (R'000)	Personnel expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	584	9 862	6%
Senior Management	644	15 601	4%
Professional Qualified	1 552	61 751	3%
Skilled	419	11 393	4%
Semi-skilled	512	17 553	3%
Unskilled	43	1 639	3%
TOTAL	3 755	117 799	3%

Table 41: Training costs

Programme/ activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	No. of employees trained	Avg training cost per employee
Programme 1	55 355	513	0.9%	66	8
Programme 2	26 319	84	0.3%	33	3
Programme 3	36 125	269	0.7%	47	6

Table 42: Employment and vacancies

Programme/ activity/objective	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Administration	64	72	66	6	4%
QCC	20	23	23	0	0%
SIR	10	10	10	0	0%
QAA-SQ	14	14	14	0	0%
QAA-PSQ	13	13	12	1	1%
E&A	23	23	21	2	1%
TOTAL	144	155	146	9	6%

* Vacancy percentages are calculated as a proportion of the approved establishment of 155 positions by dividing the number of vacant positions in each programme by the total approved establishment and multiplying the result by 100.

Table 43: Employment and Vacancies by salary band

Programme/ activity/objective	2024/2025 No. of employees	2025/2026 Approved posts	2025/2026 No. of employees	2025/2026 Vacancies	% of vacancies
Top Management	4	4	4	0	0%
Senior Management	10	10	10	0	0%
Professional Qualified	66	68	63	5	3%
Skilled	18	22	20	2	1%
Semi-skilled	40	46	44	2	1%
Unskilled	6	5	5	0	0%
TOTAL	144	155	146	9	6%

* Vacancy percentages are calculated as a proportion of the approved establishment of 155 positions by dividing the number of vacant positions in each occupational category by the total approved establishment and multiplying the result by 100.

Umalusi implements workforce planning and recruitment strategies to attract, recruit and retain suitably qualified and experienced employees through fair, transparent and competitive recruitment processes. Internal recruitment is prioritised where suitable candidates are available, to support career development and succession planning; however, external recruitment is undertaken where specialised skills and experience are not available internally.

Employment changes

Umalusi continues to monitor employee movements to ensure effective workforce planning and maintain an optimal staffing complement. During the reporting period, changes in employment resulted from appointments, resignations, retirements, the absorption of employees from fixed-term contracts into permanent positions and the filling of critical vacancies.

Table 44: Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	0	4
Senior Management	10	1	1	10
Professional Qualified	66	6	8	64
Skilled	18	3	2	19
Semi-skilled	40	8	3	45
Unskilled	6	0	0	6
TOTAL	144	18	14	148

* Employment at the end of the period is not derived by adding appointments to employment at the beginning of the period and deducting terminations. Changes within salary bands also reflect employee movements across salary bands within the approved establishment during the period.

Table 45: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	10	7%
Dismissal	2	1%
Retirement	2	1%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	14	10%

Table 46: Labour Relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	1
Written warning	3
Final written warning	0
Dismissal	2
TOTAL	6

Equity target and employment equity status

The organisation has set an employment equity target of 3% representation for employees with disabilities. At the end of the reporting period, representation stood at 2%, thus the target was therefore not achieved. The organisation remains committed to increasing the representation of persons with disabilities and continues to encourage suitably qualified candidates with disabilities to apply for vacant positions. During the reporting period, vacancies were also circulated through a database of persons with disabilities, as recommended by

an official from the Department of Women, Youth and Persons with Disabilities, to broaden the pool of potential applicants. Despite these targeted recruitment efforts, the organisation experienced challenges in attracting suitably qualified candidates with disabilities for the advertised positions. The organisation will continue to implement targeted recruitment and awareness initiatives, strengthen partnerships with relevant stakeholders and disability networks, and encourage applications from persons with disabilities to improve representation and work towards achieving the employment equity target.

Table 47: Equity target and employment equity status - Male

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	0	0	0	1	0
Senior Management	6	4	0	0	0	0	0	0
Professional Qualified	30	30	0	3	2	1	3	3
Skilled	6	8	0	1	0	0	0	1
Semi-skilled	13	22	0	2	0	1	0	2
Unskilled	4	2	0	0	0	0	0	0
TOTAL	61	68	0	6	2	2	4	6

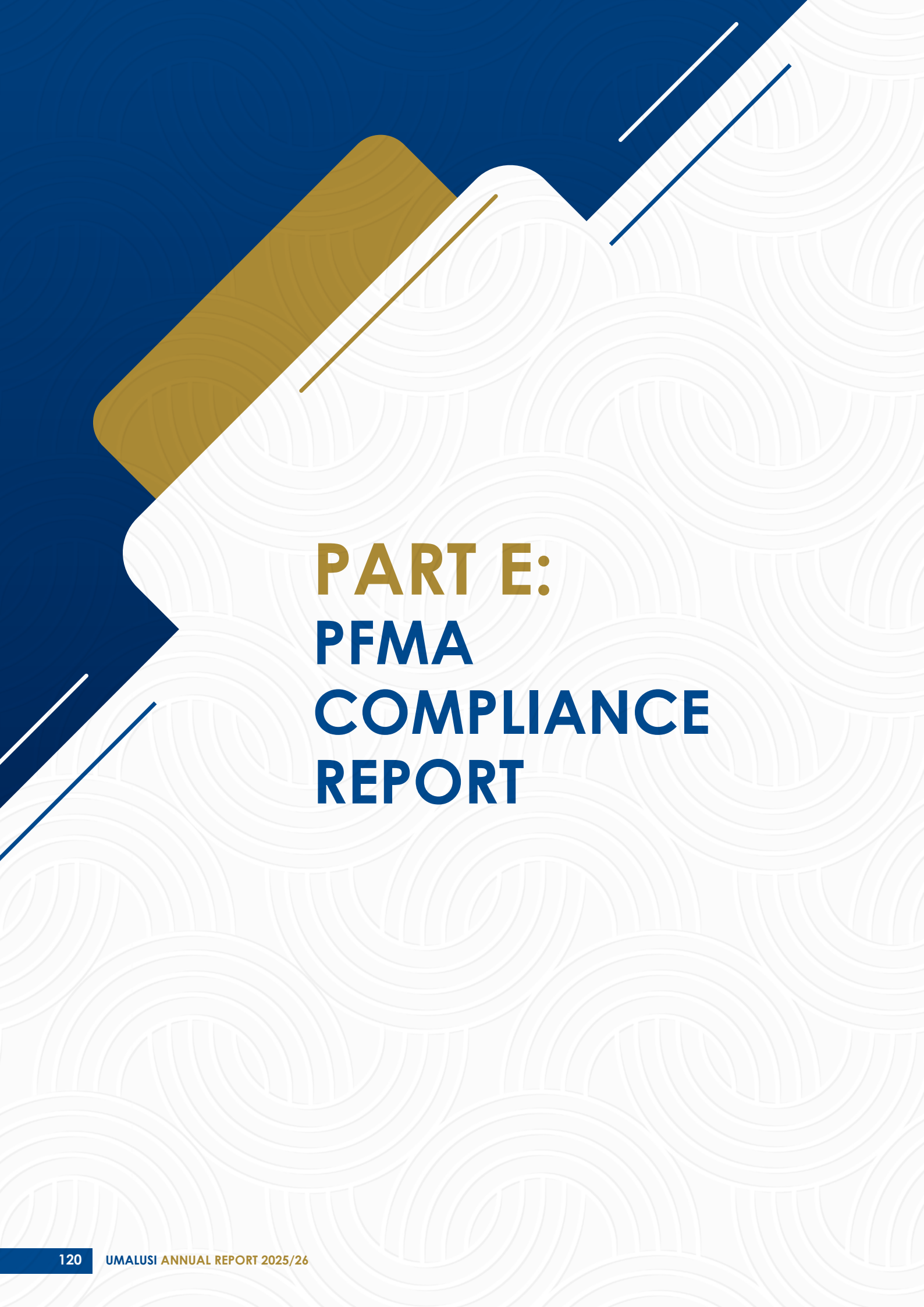
Table 48: Equity target and employment equity status - Female

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	2	1	0	0	0	0	0
Senior Management	4	4	0	0	0	0	0	0
Professional Qualified	21	27	0	3	1	1	5	2
Skilled	12	7	0	1	3	0	0	1
Semi-skilled	27	20	1	2	1	1	1	2
Unskilled	2	2	0	0	0	0	0	0
TOTAL	66	62	2	6	5	2	6	5

Table 49: Equity target and employment equity status - Disabled Staff

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	1	0
Senior Management	0	0	0	0
Professional Qualified	1	1	1	1
Skilled	0	1	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	1	2	2	2





PART E: **PFMA** **COMPLIANCE** **REPORT**

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2025/26	2024/25
	R'000	R'000
Opening balance	0	519
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	6 291	0
Less: Irregular expenditure condoned	0	(519)
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	6291	0

The irregular expenditure of R6 290 712 relates to the over expenditure of 2025/26 FY budget. This expenditure is under investigation.

Reconciling notes

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure that was under assessment	0	31 167
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	0	0
Total	0	31 167

b) Details of irregular expenditure (under assessment, determination and investigation)

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	6 291	0
Total	6 291	0

c) Details of irregular expenditure condoned

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure condoned	31 167	519
Total	31 167	519

EXCO condoned the irregular expenditure of R31 166 918 in February 2026.

d) Details of irregular expenditure removed - (not condoned)

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of irregular expenditure recoverable

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2025/26	2024/25
	R'000	R'000
Institutional arrangements	0	0
Total	0	0

h) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
No disciplinary or criminal steps taken as a result of irregular expenditure during the year under review.

1.2 FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/26	2024/25
	R'000	R'000
Opening balance	7	7 764
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	24	0
Less: Fruitless and wasteful expenditure recoverable	(1)	7
Less: Fruitless and wasteful expenditure not recoverable and written off	(24)	(7 764)
Closing balance	6	7

The fruitless and wasteful expenditure of R23 500 was condoned by EXCO in October 2025 and R895 is recoverable from the responsible official.

Reconciling notes

Description	2025/26	2024/25
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	6	0
Total	6	0

b) Details of fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2025/26	2024/25
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	6	0
Total	6	0

c) Details of fruitless and wasteful expenditure recoverable

Description	2025/26	2024/25
	R'000	R'000
Fruitless and wasteful expenditure recoverable	1	0
Total	1	0

The fruitless and wasteful expenditure of R895 is recoverable from the responsible official.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2025/26	2024/25
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken

No disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure during the year under review.

1.3 ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III)

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2025/26	2024/25
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2025/26	2024/25
	R'000	R'000
<i>(Group major categories, but list material items)</i>	0	0
Total	0	0

c) Other material losses recoverable

Nature of losses	2025/26	2024/25
	R'000	R'000
<i>(Group major categories, but list material items)</i>	0	0
Total	0	0

d) Other material losses not recoverable and written off

Nature of losses	2025/26	2024/25
	R'000	R'000
(Group major categories, but list material items)	0	0
	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated value
		R'000
Valid invoices received	847	38 000
Invoices paid within 30 days or agreed period	847	38 000
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

3. SUPPLY CHAIN MANAGEMENT

3.1 PROCUREMENT BY OTHER MEANS

Table 50: Procurement

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Furniture removal of Ms Cindy Thomas from Pretoria to Pietermaritzburg on 12 May 2025	3G Relocations and Transport CC	Deviation - issued a request to suppliers listed on Central Supplier Database (CSD); however, fewer than three quotations were received	RFQ-0017-25/26	43
Catering Services – SACAI online school meeting 23 June 2025	Lahai Roy Global Suppliers	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0113-25/26	16
EDP Training Programme	National School of Government	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0029-25/26	44
Accommodation for Umalusi delegates in Addis Ababa Ethiopia for the 41 st AEAA Conference	Skylight Hotel	Deviation – negotiated accommodation rates for the AEAA conference	N/A	74
Catering Service for ICTOC meeting on 11 April 2025	Modifho-Fela Caterers	Deviation - issued a request to suppliers listed on CSD; however, fewer than two quotations were received	RFQ-0013-25/26	3
Curriculum Development Training	Academy Training Group	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0037-25/26	12
Supply and delivery of office stationery	Vuma Office Supplies	Highest scoring bidder failed to deliver the goods as required, second bidder did not quote according to specification thus appointment of third-highest scoring supplier	RFQ 0306-25/26	150
Efficient housekeeping and maintaining hygiene standards training	EBN-TEC Compliance and Training Service	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0100-25/26	13
Supply and deliver wellness day smoothies	Headspace Wellness	The highest scoring bidder declined the Purchase Order, thus the appointment of the second bidder	RFQ-0016-25/26	14

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Short learning course in Compliance Management	University of Johannesburg	Impractical to follow the normal procurement process	N/A	21
Basic Project Management training	Lemark Training and Development	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0167-25/26	19
WINET license renewal	GP van Niekerk Ondernemings BK	Sole supplier	RFQ-0235-25/26	18
Ipswich WS FTP Professional	MVA Technologies (Pty) Ltd	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0203-25/26	19
Procurement of ICT equipment	Tech Source Solutions (Pty) Ltd	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0157-25/26	171
Renewal of Inveloper license	Teknatic	Sole supplier	N/A	524
The editing of AEAA journal	ERRCD Forum (Pty) Ltd	Deviation - impractical to follow the three-quote system	RFQ-0074-25/26	57
License renewal fixed assets	Sage South Africa	Deviation - impractical to follow the three-quote system	N/A	9
License renewal Sage Pastel	Sage South Africa	Impractical to follow the three-quote system	N/A	42
License renewal for the existing signing hub system for a period of 12 months	Altron Security	Sole supplier	N/A	373
Caseware annual renewal for a period of 12 months	Adapt IT	Sole supplier	N/A	135
Support and professional services on Sage intact (as and when required)	Tetrad (Pty) Ltd	Deviation - impractical to follow the three-quote system	N/A	Rate based
Training for strategic and capacity for leadership for public sector managers	FACHS Business Consulting & Training	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0233-25/26	21
Support and professional services on MIS as and when required	Teknatic LLC	Deviation - impractical to follow the three-quote system	N/A	Rate based

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Catering Services	Nwa Nkumi Development Projects	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0301-25/26	13
Annual renewal of the SAS Analytics Pro Software license	SAS Institute	Sole supplier	RFQ-0348-25/26	192
Training on developing general building regulation skills workshop	JD Tutoring	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0231-25/26	29
Supply and delivery of standard records storage boxes and lids	Iron Mountain South Africa	Deviation - issued a request to suppliers listed on CSD; however, fewer than three quotations were received	RFQ-0386-25/26	6
Annual Renewal of the SAS Analytics Pro Software license	SAS Institute	Sole supplier	RFQ-0421-25/26	201
Advert of post for chairperson of Council	Busi Ntuli Communication	Deviation - impractical to follow the three-quote system	RFQ-0412-25/26	53
Caseware training for finance staff	Adapt IT	Sole supplier	RFQ-0328-25/26	37
Emergency of unblocking toilets	Moshikaro	Emergency	N/A	11
Community radio stations to market Umalusi services	Multiple radio stations	Deviation - impractical to follow the three-quote system	N/A	69
SAS Training	SAS Institute	Sole supplier	RFQ-0174-25/26	22

3.2 CONTRACT VARIATIONS AND EXPANSIONS

Table 51: Contracts

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Professional editing of Banking Services terms of reference	NIM Editorial	Expansion -increased number of pages	N/A	R 4	None	8
PED Global booklet editing	KM Waddington	Expansion -increased number of pages	N/A	R 1	None	2
Extension of cleaning services beyond working hours	Horizon Holdings	Increasing the scope of work	N/A	R 816	None	16
Building maintenance contract	Moshikaro	Expansion -increasing the scope of work	N/A	Rate based	Rate based	Rate based
Support and maintenance of the system	Tetrad	Expansion -increasing the scope of work	N/A	R 200	None	800
Mobile data	MTN	Extension of the current agreement with MTN	RT15-2021		None	1 213
Supply of purified water bottle	Bashwaters (Pty) Ltd T/A Cool Waters	Supply of potable 500 ml bottled water	N/A	Rate based		As and when required



PART F: **FINANCIAL** **INFORMATION**

INDEPENDENT AUDITOR'S REPORT

TO COUNCIL AND PARLIAMENT ON UMALUSI - COUNCIL FOR QUALITY ASSURANCE IN GENERAL AND FURTHER EDUCATION AND TRAINING

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Umalusi - Council for Quality Assurance in General and Further Education and Training (Umalusi) set out on pages 139 to 178, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Umalusi as at 31 March 2026 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

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.

We are independent of the entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors of the (IRBA Code) 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).

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

Council is responsible for the preparation and fair presentation of the financial statements in accordance with 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the 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 entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 134, forms part of our auditor's report.

Report on the audit of the annual performance report

Introduction and scope

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.

We selected the following programme presented in the annual performance report for the year ended 31 March 2026 for auditing. We selected a programme that measures the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 3: Quality Assurance and Monitoring	61 - 72	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.

We evaluated 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. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

We performed procedures to test whether:

- » The indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
- » All the indicators relevant for measuring the entity's performance against its primary

mandated and prioritised functions and planned objectives are included.

- » The indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 and is comparable and understandable.
- » There is adequate supporting evidence for the achievements reported and for the reasons provided for any over – or under-achievement of targets.

We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

We did not identify any material findings on the reported performance information for the selected programme Quality Assurance and Monitoring.

Other matters

We draw attention to the matter below.

Achievement of planned targets

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

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 the entity's compliance with legislation.

We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

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 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.

The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance reports and annual reports

Financial statements were not submitted for auditing within the prescribed period after the end of financial year, as required by section 55(1)(c)(i) of the PFMA.

Expenditure management

Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 26 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by the entity incurring expenditure in excess of the approved budget. The incurred expenditure in excess of the approved budget, is in contravention of section 53(4) of the PFMA.

Other information in the annual report

The Council is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report. Our opinion on the financial statements and our reports on the audit of the annual performance report and 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.

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.

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

Internal control deficiencies

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.

The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

The entity overspent on the approved adjustment budget. Management submitted an adjustment budget to the executive authority during the financial year but the adjustment budget was not sufficient to prevent the overspending on the budget, resulting in irregular expenditure that was incurred. Furthermore, management failed to submit financial statements for audit by 31 May 2026 as required due to management being unable to finalise their annual financial reporting quality review processes in time to enable timely submission.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: AJC Dale
Registered Auditor
Mafikeng, South Africa
31 July 2026



The examination of controls over the maintenance and integrity of Umalusi's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements or annual report since they were initially presented on the website.

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 responsibilities 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 the selected programme and on the 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 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 that may cast significant doubt on the ability of the 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 an 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.

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

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 are 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 Umalusi 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 granted 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 on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by Umalusi 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 errors 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 Umalusi and all employees are required to maintain the highest ethical standards in ensuring Umalusi's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in Umalusi is on identifying, assessing, managing and monitoring all known forms of risk across Umalusi. While operating risk cannot be fully eliminated, Umalusi 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 Umalusi's cash flow forecast for the year to 31 March 2027 and, in the light of this review and the current financial position, it is satisfied that Umalusi has or has access to adequate resources to continue in operational existence for the foreseeable future.

Umalusi receives the transfer from the Department of Basic Education and generates internal revenue to fund its operations. The annual financial statements are prepared on the basis that Umalusi is a going concern and that Umalusi has neither the intention nor the need to liquidate or curtail materially the scale of the business.

Although the Council is primarily responsible for the financial affairs of Umalusi, it is supported by Umalusi's internal auditors. The external auditors are responsible for independently reviewing and reporting on Umalusi's annual financial statements. The annual financial statements have been prepared on the going concern basis, were approved by the Council on 31 May 2026 and were signed on its behalf by:



Dr MS Rakometsi
CEO Umalusi



Prof TP Msibi
Chairperson

REPORT OF THE COUNCIL

1. Incorporation

Umalusi is the Quality Council in terms of the National Qualifications Framework Act (Act 67 of 2008) and listed as a national public entity in terms of Schedule 3A of the Public Finance Management Act of 1999. 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 is 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 Qualification 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. Umalusi is funded through transfers from the Department of Basic Education and own revenue. The Department of Basic Education had committed to funding Umalusi for the period 2026/27 to 2028/29 financial years.

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. Accounting policies

The annual financial statements have been prepared in compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 89(1) of the Public Finance Management Act of 1999 (PFMA), including any interpretations, guidelines and directives issued by the National Treasury.

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

The Council has considered the provisions of the PFMA relating to fruitless and wasteful expenditure. In terms of the materiality framework as agreed with the Executive Authority as per section 55(2)(b) of the PFMA, any material losses due to criminal conduct or irregular or fruitless and wasteful expenditure must be reported in the financial statements.

In the current year, Umalusi did not identify any fraudulent activities. Umalusi has disclosed fruitless, wasteful and irregular expenditure in the notes to the financial statements. 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.

7. 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. The Council reviews the effectiveness of the internal control on an ongoing basis through the internal audit function.

8. Council Members

The list of the Council Members as of 31 March 2026 is as follows:

Name

- » Prof. Y Ballim (Chairperson)
- » Prof. TP Msibi (Deputy Chairperson)
- » Dr MS Rakometsi (CEO Umalusi)
- » Dr W Green (Council on Higher Education - CEO)
- » Mr DB 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*
- » Dr RE Moraka
- » Dr MJB Mthembu*
- » Ms T Futshane*

* *Public Servants*

9. Secretary

The secretary of the Council is Mr NH Moloise of:

Business address

37 General Van Ryneveld Street
Persequor Technopark
Pretoria

Postal address

PO Box 151
Persequor Technopark
Pretoria
0020

10. Executive Authority

Umalusi reports to the Minister responsible for the Department of Basic Education.

11. Auditors

PricewaterhouseCoopers (PwC) Inc has been appointed to conduct the external audit in accordance with section 25 of the Public Audit Act.



Dr MS Rakometsi
CEO Umalusi



Prof TP Msibi
Chairperson

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

Figures in Rand

	Note(s)	March 2026	March 2025 Restated*
Assets			
Current Assets			
Trade and other receivables from exchange transactions*	3	13,800,496	8,599,377
Statutory receivables from non-exchange transactions*	4	817,734	614,288
Prepayments	5	5,111,681	5,592,629
Cash and cash equivalents	6	7,539,897	19,022,550
		27,269,808	33,828,844
Non-Current Assets			
Property, plant and equipment	7	73,559,321	77,577,595
Total Assets		100,829,129	111,406,439
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions*	8	4,512,438	14,043,795
Short-term employee benefits	9	10,491,045	9,148,501
Deferred income	10	9,625,813	13,013,358
		24,629,296	36,205,654
Non-Current Liabilities			
Employee benefit obligation	11	1,558,924	4,377,423
Total Liabilities		26,188,220	40,583,077
Net Assets		74,640,909	70,823,362
Reserves			
Revaluation reserve	12	23,393,588	23,393,588
Accumulated surplus*	12	51,247,321	47,429,774
Total Net Assets		74,640,909	70,823,362

* Prior year amount restated. Refer to Note 28.

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand

	Note(s)	March 2026	March 2025 Restated*
Revenue			
Revenue from exchange transactions			
Accreditation fees*	13	10,555,986	5,820,580
Certifications fees	13	11,629,194	8,574,556
Verification fees	13	29,308,358	21,366,899
Rental income	13	1,452,095	1,452,095
Quality assurance fees	13	3,042,997	1,810,654
Other income*	13	1,059,592	4,324,493
Interest received - short term deposit	13	2,329,569	3,445,793
Remeasurement - employee benefit obligation	11	2,968,000	-
Total revenue from exchange transactions		62,345,791	46,795,070
Revenue from non-exchange transactions			
Government grants & subsidies	14	174,384,000	166,918,000
Biennial accreditation fees*	15	2,546,969	1,955,552
Donations	14	1,000,000	1,679,658
Total revenue from non-exchange transactions		177,930,969	170,553,210
Total revenue	13	240,276,760	217,348,280
Expenditure			
Employee related costs	16	(117,798,752)	(105,562,814)
Depreciation**	7	(6,513,899)	(10,568,835)
Impairment provision*	3	-	(24,375)
Bad debts written off*	18	(1,680,796)	(597,094)
Moderation and verification costs	17	(42,405,005)	(44,609,821)
Remeasurement - employee benefit obligation	11	-	(210,340)
Net interest on defined benefit liability	11	(465,501)	(893,660)
Service cost	11	(1,203,000)	(1,895,000)
General expenses	20	(66,392,260)	(78,653,889)
Total expenditure		(236,459,213)	(243,015,828)
Surplus (deficit) for the year		3,817,547	(25,667,548)

* Prior year amount restated. Refer to Note 28.

** Name changed from "depreciation and amortisation" to "depreciation"

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand

	Revaluation reserve	Accumulated surplus / (deficit)	Total net assets
Balance at 01 April 2024	23,393,588	73,093,809	96,487,397
Correction of operating lease liability	-	3,513	3,513
Deficit for the year	-	(25,667,548)	(25,667,548)
Balance at 01 April 2025	23,393,588	47,429,774	70,823,362
Surplus for the year	-	3,817,547	3,817,547
Balance at 31 March 2026	23,393,588	51,247,321	74,640,909
Note(s)	12		

CASH FLOW STATEMENT

Figures in Rand

	Note(s)	March 2026	March 2025 Restated
Cash flows from operating activities			
Receipts			
Sale of goods and services		51,225,534	42,855,520
Grants	14	174,384,000	166,918,000
Interest income	13	2,329,569	3,445,793
		227,939,103	213,219,313
Payments			
Employee costs		(132,332,088)	(121,252,259)
Suppliers		(104,594,042)	(102,464,831)
		(236,926,130)	(223,717,090)
Net cash flows from operating activities	22	(8,987,027)	(10,497,777)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(2,495,625)	(2,755,973)
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		(11,482,652)	(13,253,750)
Cash and cash equivalents at the beginning of the year		19,022,550	32,276,300
Cash and cash equivalents at the end of the year	6	7,539,898	19,022,550

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

*Budget on Accrual Basis
Figures in Rand*

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer- ence
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Accreditation fees	7,400,000	1,862,000	9,262,000	10,555,986	1,293,986	1
Certifications fees	8,099,000	1,701,000	9,800,000	11,629,194	1,829,194	2
Verification fees	18,508,000	7,692,000	26,200,000	29,308,358	3,108,358	3
Rental income	2,036,000	(400,000)	1,636,000	1,452,095	(183,905)	4
Other income	4,281,000	(500,000)	3,781,000	1,059,592	(2,721,408)	5
Interest received - short-term deposit	3,437,000	-	3,437,000	2,329,569	(1,107,431)	6
Total revenue from exchange transactions	43,761,000	10,355,000	54,116,000	56,334,794	2,218,794	7
Revenue from non-exchange transactions						
Government grants & subsidies	174,384,000	-	174,384,000	174,384,000	-	
Total revenue	218,145,000	10,355,000	228,500,000	230,718,794	2,218,794	7
Expenditure						
Personnel	(98,594,000)	(18,441,000)	(117,035,000)	(117,798,752)	(763,752)	8
Depreciation	(12,000,000)	4,500,000	(7,500,000)	(6,513,899)	986,101	9
Moderation and verification costs	(41,000,000)	-	(41,000,000)	(42,405,005)	(1,405,005)	10
General expenses	(60,551,000)	3,586,000	(56,965,000)	(65,512,381)	(8,547,381)	11
Capital expenditure	(6,000,000)	-	(6,000,000)	(2,560,675)	3,439,325	12
Total expenditure	(218,145,000)	(10,355,000)	(228,500,000)	(234,790,712)	(6,290,712)	13
Operating deficit	-	-	-	(4,071,918)	(4,071,918)	
Quality assurance fees	-	-	-	3,042,997	3,042,997	14
Donations - Old Mutual	-	-	-	1,000,000	1,000,000	15
Remeasurement - employee benefit obligation	-	-	-	2,968,000	2,968,000	16
Biennial accreditation fees	-	-	-	2,546,969	2,546,969	17
Net interest on defined benefit liability	-	-	-	(465,501)	(465,501)	18
Service cost	-	-	-	(1,203,000)	(1,203,000)	19
	-	-	-	7,889,465	7,889,465	
Surplus	-	-	-	3,817,547	3,817,547	

Statement of Comparison of Budget and Actual Amounts

1. The accreditation fees were 14% (R1,293,986/R9,262,000) above budget. There were more site visits and desktop evaluations services during the year.
2. The certification fees were 19% (R1,829,194/R9,800,000) above budget due to increase in number of learners who were issued the certificates.
3. The verification fees were 12% (R3,108,358/R26,200,000) above budget due to more demand for verification of qualifications by external parties.
4. The rental income was 11% (R183,905/R1,636,000) above budget due to annual escalations in rental premiums.
5. The other income was 62% (R2,334,811/R3,781,000) below budget due to the separation of quality assurance fees from other income.
6. The interest income was 32% (R1,107,431/R3,437,000) below budget due to the decreased cash balance for short-term investment.
7. The initial budget was adjusted due to increased revenue collection relating to accreditation, certification and verification fees.
8. Employee cost was 1% (R1,282,752/R98,594,000) above budget due to the salary adjustments from 1 April 2025.
9. The reduction in depreciation amount is due to the reassessment of the useful lives of assets at the end of previous and current financial year.
10. Expenditure for moderation and verification was 3% above budget (R1,405,005/R41,000,000) due to increased scope of quality assurance services performed during the year.
11. The increase in general expenses 14% (R8,021,046/R56,965,000) above budget due to increase in ICT expenditure, travelling costs and the printing of the background certificates cost.
12. The capital expenditure was 57% below budget (R3,439,325/R6,000,000) due to the delayed project (Umalusi house refurbishment). The delay was as a result of insufficient budget.
13. The initial budget was adjusted due to increased spending on personnel cost, moderation and verification costs as well as general expenses.
- 14-19. Expenditure and income not budgeted for during 2025/26 financial year.

SIGNIFICANT ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1. Basis of preparation and 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 89(1) of the Public Finance Management Act (Act 1 of 1999). These annual financial statements have been prepared using accrual accounting in compliance with GRAP Standards and, unless specified otherwise, using the historical cost convention as the basis of measurement.

1.2. Presentation currency and rounding off

These annual financial statements are presented in South African Rand, which is the functional currency of Umalusi. Unless otherwise stated, amounts have been rounded off to the nearest Rand. In instances where as a result of rounding off, some amounts have R100 or less variances in the financial statements and the notes to the financial statements, no adjustment will be made.

1.3. Going concern assumption

These annual financial statements have been prepared based on the expectation that Umalusi will continue to operate as a going concern for at least the next 12 months. Umalusi's operations are funded through a transfer (grant) from Department of Basic Education (DBE) and own revenue. DBE has committed to fund Umalusi until 2028/29 financial year.

1.4. Taxation

Umalusi is exempted from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act 58 of 1962.

1.5. Comparative figures

Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified or restated to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

Current year comparison with budget

A comparison between the approved final budget and actual amounts is included in the statement of comparison of budget and actual amounts.

1.6. 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:

1.6.1. Estimates

- a) Determination and reassessment of the useful lives of assets: Management determines the estimated useful lives and depreciation method for property, plant, and equipment (PPE) based on historical trends and patterns of the usage of the asset. The useful lives of assets are reassessed annually based on the conditions of the assets. Management may increase or decrease the depreciation amount of the assets where useful lives are less or more than previously estimated.
- b) Revaluation of land and buildings: Land and buildings are revalued every four years using income approach method. The method is based on the net annual income determined by using a market related rental for the subject property and capitalising this rental with an appropriate capitalisation rate. This rate is influenced by economic factors such as prevailing interest rates in the country. The less risk there is to a property, the lower initial return required by the investor and the higher the value, and vice versa.

1.6. Significant judgements and sources of estimation uncertainty (continued)

- c) Actuarial valuation of employee defined obligation: The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, healthcare cost inflation, expected retirement age and withdrawal rate. Any changes in these assumptions will impact the carrying amount of post-retirement obligations.

1.6.2. Judgements

- a) Trade and other receivables from exchange transactions: Trade and other receivables are classified as financial assets. Umalusi assesses its trade and other receivables for impairment provision in accordance with GRAP104 expected credit loss model by applying the provision matrix. The provision matrix is based on historically observed default rates over expected life of trade and other receivables, and adjusted for forward looking estimates where necessary.
- b) Statutory receivables from non-exchange transactions: The biennial accreditation fees are classified as statutory receivables because they are paid to Umalusi by schools and colleges by virtue of their accreditation under the General and Further Education and Training Qualification Sub-framework (GFETQSF). These fees are levied at the beginning of every second year following accreditation, in line with the policy and criteria for the quality assurance, accreditation, and monitoring of independent schools, and the policy for quality assurance of private colleges. Umalusi does not render services of equal value to these schools as a result of the payments. These fees become statutory receivables at the end of the financial period, where they remain unpaid. These fees are prescribed in the tariff structure issued by Umalusi before the beginning of every financial year.

1.7. Property, plant and equipment

Umalusi recognises the cost of property, plant and equipment when it is probable that future economic benefits or service potential associated with the asset will flow to Umalusi and the cost or fair value of the asset can be measured reliably.

The cost includes expenditure incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add or replace part of the asset.

After initial recognition, Umalusi carries its property, plant and equipment at cost less accumulated depreciation and any impairment losses. The cost model applies to the following categories of assets:

- » Plant and Machinery
- » Furniture and Fittings
- » Motor Vehicles
- » Office Equipment
- » Computer Equipment
- » Other Equipment and Computer Software

The land and buildings are revalued independently every four years. When land and buildings are 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 reserve/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.

Depreciation

Property, plant, and equipment is depreciated on a straight-line basis over the expected useful lives of the assets. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The depreciation charge is recognised in the statement of financial performance on an annual basis.

Residual values

Computer equipment (e.g. laptops and iPads) has a salvage value of 1,5% of the cost price at the end of its useful life as per the ICT policy on the disposal of IT related equipment. Due to the fact that the salvage value is immaterial, no residual value is considered when calculating the depreciation amount. The other categories of assets do not have residual values.

1.7. Property, plant and equipment (continued)

Useful lives

The useful lives of items of property, plant and equipment are as follows:

Item	Depreciation method	Average useful life
Land	Not applicable	Indefinite
Buildings	Straight-line	20-40 years
Plant and machinery	Straight-line	5-25 years*
Furniture and fixtures	Straight-line	4-25 years*
Motor vehicles	Straight-line	7-15 years*
Office equipment	Straight-line	5-25 years*
Computer equipment	Straight-line	3-25 years*
Other equipment	Straight-line	5-25 years*

** Average useful lives of some assets in the above categories have changed due to the reassessment.*

Assessment of useful lives

Umalusi assesses the condition of its assets at each reporting date: whether there is any indication that the useful lives of the assets have changed since the preceding reporting date. If any such indication exists, Umalusi revises the expected useful life value accordingly. The change is accounted for as a change in an accounting estimate.

Revaluation of land and buildings

Land and buildings are revalued every four years by independent valuers using the income capitalisation method. When land and buildings are 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. 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.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits 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.

1.8. Financial instruments

Umalusi's financial instruments comprise the following financial assets and liabilities:

- » Trade and other receivables from exchange transactions
- » Cash and cash equivalents
- » Trade and other payables

Umalusi recognises a financial asset or a financial liability in the statement of financial position upon entering into a contract with other parties for the provision of goods and services. The financial asset or financial liability is initially measured at fair value and subsequently measured at amortised cost. The financial instruments are recognised using trade date accounting. No interest is charged on trade receivables.

Classification and measurement

Classification and measurement of financial assets and liabilities

Umalusi's financial assets are classified and subsequently measured as follows:

- » Trade and other receivables from exchange transactions: Measured at amortised cost
- » Cash and cash equivalents: Measured at amortised cost
- » Umalusi's financial liabilities are classified and measured as follows:
 - » Trade and payables from exchange transactions: Measured at amortised cost

1.8. Financial instruments (continued)

Impairment of financial instruments

Umalusi recognises a loss allowance for expected credit losses on all financial assets measured at amortised cost. The impairment provision for trade receivables is calculated in accordance with GRAP 104's forward-looking expected credit loss (ECL) model, specifically applying the provision matrix. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

The provision matrix approach involves applying historical loss rates to ageing buckets of receivables. The methodology for calculating impairment values on outstanding receivable balances is as follows:

- » Grouping of receivables: This involves distinguishing by receivable type: certification, verification and quality assurance services.
- » Historical trends or data: The model uses monthly and annual trends together with payment data on a monthly basis from April 2024 to the current date.
- » Historical payment profile: For each group and ageing bucket, the probability of repayment is assessed by analysing the ageing of the receivables in duration between the raising of the invoice and the payment.
- » Historical loss rate: The probability of non-payment (impairment probability) for each ageing bucket is estimated using a conditional probability approach, assessing the likelihood that a debtor will ultimately fail to settle their balance. These probabilities are derived from historical payment patterns and applied to each exposure group.
- » Adjustment for current and forward-looking information: While GRAP 104 requires considering current conditions and reasonable, supportable forward-looking information, it was concluded that there is no significant evidence to suggest that current or forward-looking economic conditions materially impact debtor payment behaviour beyond what is reflected in the historical data. Umalusi has recently written off debts that were more than 120 days old and considered irrecoverable. Most of these debts emanate from the schools or colleges that are either closed or the qualifications have been phased out. Some were as a result of the phasing out of the subject certificates. Umalusi has also enforced debt

collection controls by blocking or suspending the schools or colleges with outstanding debts above two (2) months to ensure that no services are rendered to these institutions until payment is received. Against the above backdrop, Umalusi concluded that there is no adequate information that can be used to support forward looking economic conditions which can materially affect the impairment provision calculation, which is based on historical information

- » Calculation of expected credit loss: The expected loss rates are applied to the ageing profile of receivables at the reporting date to determine the total expected credit loss (ECL) amount.

The carrying amount of the receivables is reduced using an allowance account, with the movement (impairment loss or gain) recognised in surplus or deficit.

General approach

The general approach is applied to cash and cash equivalents, as well as current receivables. Umalusi adopted a simplified approach for its receivables. According to the simplified approach, Umalusi is required to measure the loss allowance at an amount equal to the lifetime expected credit losses for the receivables. The lifetime expected credit losses approach is applied where there has been a significant increase in credit risk since the financial asset's initial recognition. Since Umalusi has written off the outstanding debts that were considered irrecoverable and enhanced the control measures for debt collection, there's no change in credit risk expected by the entity.

Umalusi considers financial assets to be in default when the balance is more than 120 days past due, or the debtor is unlikely to pay their credit obligations in full, without recourse. This is due to the cyclical nature of the examinations of educational institutions and the certification of successful students. While the average credit period for trade receivables is 30 days, some institutions pay their outstanding debts after examinations when the students are about to receive their certificates. In addition, to enforce debt collection, Umalusi blocks or suspends institutions with outstanding balances of more than two (2) months in the mainframe system to ensure that no services can be rendered to such institutions until outstanding debt is paid. The mainframe system is used by both Umalusi and educational institutions to manage student enrolments, certification and verifications.

1.8. Financial instruments (continued)

Umalusi assesses the credit risk rating of cash and cash equivalents by using the latest published credit ratings from Standard & Poor (S&P). Umalusi considers cash and cash equivalents to have a low credit risk when the credit rating is BBB or higher for ABSA Bank. Absa's credit rating was at 'AAA' as at 31 March 2026.

Derecognition

Financial assets - Umalusi derecognises financial assets only when the contractual rights to the cashflows from the asset expire, or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity, except when Umalusi approves the write-off of financial assets due to non-recoverability.

Financial liabilities - Umalusi derecognises financial liabilities when, and only when, the entity's obligations are discharged, cancelled, or they expire.

Write-off

The carrying amount of a financial asset is written off when Umalusi has no reasonable expectation of recovering the outstanding balance and the Council has approved the write-off. When financial assets are considered uncollectible, they are written off directly in the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are recognised in the Statement of Financial Performance.

1.9. Statutory receivables from non-exchange transactions

Recognition

Statutory receivables are initially recognised in the statement of financial position (using the policy on revenue from non-exchange transactions) at fair value as per the approved tariff structure. These receivables comprise the outstanding or unpaid biennial accreditation fees at the end of the financial year. Biennial accreditation fees are levied at the beginning of every second year following accreditation, in line with the policy and criteria for the quality assurance, accreditation and monitoring of independent schools and policy for quality assurance of private colleges. These fees are paid by the schools and colleges irrespective of the quality assurance services rendered by Umalusi. The fees are paid by virtue of being accredited by Umalusi under the GFETQSF.

Subsequent measurement

Umalusi measures statutory receivables after initial recognition using the cost method. This method reflects the impairment losses and amounts derecognised after initial recognition. No interest is charged on statutory receivables.

Impairment losses

Umalusi assesses impairment losses at each reporting date for all outstanding receivables above 120 days whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired. Umalusi considers the following factors:

- » It is uneconomical to recover the debt;
- » It is not in the best interest of Umalusi to do so; and
- » The debtors cannot be located or traced.

Derecognition

Umalusi derecognises a statutory receivables when the rights to the cash flows from the receivable are settled or are waived. Any difference between the consideration receivable and the carry amounts is transferred to the statement of financial performance.

1.10. Deferred income

Deferred income is recognised in the statement of financial position in the period in which Umalusi received payment in advance for services not yet rendered at the end of the reporting period.

1.11. Prepayments

Prepayments are recognised in the statement of financial position only when Umalusi becomes a party to an arrangement where payment is made in advance for goods and services to be received after the end of the financial year. Prepaid electricity is accounted for as an expense in the statement of financial performance once payment is made. Negative leave balances or leave taken in advance at the end of the financial year is recognised as a prepaid expense. Licence fees are expensed in the statement for financial performance when the amount payable is for a period of one year or less.

1.12. Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash on hand, deposits held in a Corporation of Public Deposits bank account with the South African Reserve Bank and are available on demand.

1.13. Leases

Operating lease payment or income is recognised as expense or income in the statement of financial performance on a straight-line basis over the lease term.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term in the statement of financial performance. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue. The difference between a straight-line amount and actual revenue is recognised as an operating lease asset or liability.

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.

1.14. Revenue

Umalusi derives its revenue from both exchange and non-exchange transactions. Section 13(1) of GENFETQA Act 58 of 2001 outlines sources of revenue for Umalusi.

1.14.1. Revenue from exchange transactions

Umalusi's revenue from exchange transactions includes the following:

- » Certification fees
- » Verification fees
- » Accreditation fees
- » Quality assurance of assessment fees
- » Interest income

1.14.2. Revenue from non-exchange transactions

Umalusi's revenue from non-exchange transactions includes:

- » Government grant
- » Donations and contributions
- » Biennial accreditations fees

Recognition and Measurement

Revenue is recognised in the statement of financial performance by Umalusi after rendering quality assurance services as per the GENFETQA Act 58 of 2001. Revenue is also recognised at fair value based on the approved fee structure at the reporting date.

The government grant is recognised as revenue in the statement of financial performance in

the period in which it is receivable from the Department of Basic Education (DBE).

Accreditation fees are recognised as revenue in the statement of financial performance after Umalusi has rendered services relating to the accreditation of academic institutions. 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.

Biennial accreditation fees are recognised as revenue in the statement of financial performance after payment is received. Revenue is measured at fair value as per the approved fee structure.

Certification fees are recognised as revenue in the statement of financial performance after Umalusi has rendered services relating to the issuance of the academic certificates. Revenue is measured at fair value as per the approved fee structure.

Verification fees are recognised as revenue in the statement of financial performance after Umalusi has rendered services relating to the verification of academic qualifications. Revenue is measured at fair value as per the approved fee structure.

Interest income is recognised as revenue using the effective interest rate method, based on the balances of Umalusi's short-term deposits.

Quality assurance of assessment fees are recognised as revenue in the statement of financial performance by Umalusi after rendering quality assurance services as per the GENFETQA Act 58 of 2001. Revenue is measured at fair value as per the approved fee structure..

Rental income is recognised as revenue on a straight-line basis over the lease term in the statement of financial performance as per the lease agreement.

Donations and contributions are recognised as revenue in the statement of financial performance in the period in which they are received by Umalusi at fair value.

Other income is recognised as revenue in the statement of financial performance in the period in which it is received by Umalusi at fair value. It includes, among others, quality assurance fees, disposals and recoveries.

Fair value is represented by the transaction price and is not discounted due to the short-term nature of the transactions.

1.15. Employee benefits

1.15.1. Short-term employee benefits

Recognition and measurement

All short-term employee benefits

The short-term employee benefits (those payable within 12 months after the service is rendered), are recognised in the period in which the service is rendered and are not discounted. They include the following:

Salaries and wages

Salaries and wages are recognised in the statement of financial performance in the period in which the services are rendered.

Accrued bonus

The accrued bonus is recognised in the statement of financial position during the financial year in which the accrual is made. Umalusi employees have two options to structure their 13th cheque, that is, annual payment or monthly payment. The accrued bonus is calculated for the employees who opted for annual payment. The bonus is calculated based on the amount accrued to each employee on a monthly basis at the end of the reporting period.

Leave provision (accumulated leave days)

Provision for leave is based on the unused number of days at the end of the reporting period for each employee. According to the leave policy, accumulated leave may not exceed annual entitlement for each employee. Leave days in excess of annual entitlement will be forfeited. Upon termination of employment, Umalusi will only pay accumulated leave days up to or limited to each employee's annual entitlement. Where employees have negative annual leave balances at the end of the financial year, this annual negative leave will be accounted for as prepayment.

Performance bonus provision

The performance bonus is recognised as a provision in the statement of the financial position during the financial year in which employees have rendered service to Umalusi. Performance bonuses are payable to the employees who meet the requirements as per the Performance Management and Development Policy of Umalusi after the reporting period.

1.15.2. Post-employment benefits

Recognition and measurement

Post-employment benefits include the following:

Defined contribution plan

Umalusi provides for the retirement benefits of its employees through a defined contribution plan. Umalusi pays monthly contributions to the Government Employee Pension Fund (GEPF). Umalusi has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits after retirement. The contributions are recognised as part of short-term employee benefits.

Defined benefit obligation (Post-retirement medical aid obligation)

Umalusi provides post-retirement medical care benefits to employees who completed a minimum of ten (10) years of unbroken service in government, have at the time of retirement been employed by Umalusi, and have opted to continue membership of their medical aid scheme.

The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Actuarial gains and losses arising from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions are recognised in the statement of financial performance in the period in which they occur. Interest costs and service costs are recognised in surplus or deficit in the period in which they occur.

Post-retirement medical aid fund

Umalusi opened an investment account with the South African Reserve Bank to fund the future liability of the medical aid obligation. This fund is held exclusively for post-retirement medical aid obligations. Umalusi makes contributions to this fund as and when funds are available. The interest income from the investment is capitalised.

1.16. Moderation and verification costs (Honorariums)

Moderation and verification costs are recognised as expenses in the statement of financial performance during the period in which they are incurred. These expenses are comprised primarily of quality assurance fees for services rendered to Umalusi by independent contractors, payments made to members of the Council and Council Committees.

1.17. Other expenditure

Other expenses included in goods and services are recognised in the statement of financial performance when goods are received or services rendered during the financial year.

1.18. Budget information

Umalusi prepares the statement of comparison of the budget and the actual amount, which provides information on the resources that are utilised in accordance with the approved budget (01/04/2025 to 31/03/2026). The statement of budget and actual amounts is prepared on an accrual basis and presented per the economic classification of expenditure and revenue. The reasons for the variances between the budget and the actual amounts are given/provided for all variances above R200,000.

1.19. Contingent assets and liabilities

Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements after management has conducted an assessment about the possible obligation to make a payment. Contingent liabilities are recorded at fair value.

Contingent assets

Contingent assets are recorded in the notes to the financial statements after management has conducted an assessment about the possible recovery of an amount due to Umalusi. Contingent assets are recorded at fair value.

1.20. Related party transactions

Umalusi is a Schedule 3A public entity in terms of the PMFA. Umalusi accounts to the national government through the minister responsible for the Department of Basic Education (DBE). As a consequence of the constitutional independence of the three spheres of government in South Africa (national/ provincial/ local), only entities within the national sphere of government are considered to be related parties.

Umalusi senior and executive management, including the Council members, are considered related parties because of their responsibilities in planning, directing and controlling the activities of the entity.

Only transactions which are not concluded within normal operating terms with related parties are disclosed.

1.21. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or condoned.

1.22. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the irregular expenditure incurred. Irregular expenditure is removed from the notes to the financial statements when it is resolved or condoned.

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 for the periods beginning on or after 01 April 2026 or later periods:

Standard/ Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 107 (as revised) Mergers	1 April 2027	Unlikely there will be a material impact
GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	1 April 2027	Unlikely there will be a material impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	1 April 2027	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	1 April 2027	Impact is currently being assessed
GRAP 103 (amended): Heritage Assets	1 April 2027	Unlikely there will be a material impact

3. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

		March 2026	March 2025 Restated
Trade receivables			
Certification fees*	3.1	792,989	398,482
Verification fees		5,676,993	2,719,304
Quality assurance fees (Assessment Bodies)*		6,938,837	5,171,380
Other receivables			
Municipal deposit (City of Tshwane)	3.2	3,450	3,450
Staff debtors		94,850	183,840
Third parties (Recoveries)		-	34,810
Operating lease asset		58,144	-
Accreditation fees - underpayment		235,233	88,111
Total Receivables from exchange transactions		13,800,496	8,599,377

* In the previous year the certification and quality assurance debtors were incorrectly classified as statutory receivables. Refer to Note 28.

3.1. Trade receivables

The average credit period for trade receivables is 30 days. No interest is charged on trade receivables. Umalusi enforces its revenue collection by blocking or suspending the education institutions so that no services can be rendered. Upon blocking or suspending institutions, a notification is automatically sent to the relevant institutions, informing them of the services that have been suspended. The management is of the opinion that the carrying value of trade receivables approximates their fair values as per the approved tariff structure.

Impairment provision

The impairment provision for trade receivables is calculated in accordance with GRAP 104's forward-looking expected credit loss (ECL) model, specifically applying the provision matrix. The provision matrix is based on historical observed data over the expected life of the trade receivables and is adjusted for forward-looking estimates. Management has established the following trends with regard to the trade receivables (before the write-off of the bad debts in the current year):

- » Certification – A significant amount of certification debts (90%) is over 120 days (ref to the age analysis table below). On average (for both 2024/25 and 2025/26), the certification debt over 120 days is 83.5%. The majority of these debtors take a long time to pay. Because of the cyclical nature

of examinations and certificate issuance, some institutions delay payments until the next cycle. Some institutions are affected by changes in curricula, including the certification of either single subjects (units) or entire courses. Management analysed and assessed the recovery of debts over 120 days for this category of debtors and found that, on average, almost 50% of debtors struggle to pay their debts.

- » Verifications – verification services are normally paid as and when they are needed. The majority of these payments (93%) are made within 90 days (ref to the age analysis table below). On average (for both 2024/25 and 2025/26), the verification debt over 120 days is 14%. 80% of these institutions pay within 30 days. Management analysed and assessed the recovery of debts over 120 days for this category of debtors and found that, on average, almost 26% of debtors struggle to pay their debts.
- » Quality assurance services (Assessment Bodies) – These fees are paid by the private assessment bodies (IEB and SACAI) for the quality assurance services rendered by Umalusi. On average, these services are paid within 30 days. There is no provision for impairment of these services, since Umalusi always collects all amounts due.

While GRAP 104 requires consideration of current and forward-looking information, the historical information was deemed appropriate without adjustment due to the lack of significant evidence of material impact from macroeconomic factors and the fact that education plays a critical role in society.

3. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

	March 2026			March 2025		
	Gross	Impairment	Total	Gross	Impairment	Total
Impairment table (Revised GRAP)						
Certification	1,282,989	(490,001)	792,989	2,437,144	(1,055,738)	1,372,385
Verification	5,707,643	(30,877)	5,676,766	3,225,767	(131,680)	3,094,087
Quality assurance	6,938,837	-	6,938,837	5,210,862	-	5,210,862
	13,929,469	(520,878)	13,408,592	10,873,773	(1,187,418)	9,677,334
Impairment table (Old GRAP)						
Certification	1,282,989	(980,001)	302,988	2,509,957	(2,111,475)	398,482
Verification	5,707,643	(118,758)	5,588,885	3,225,767	(506,463)	2,719,304
Quality assurance	6,938,837	-	6,938,837	5,210,862	(39,032)	5,171,380
Total	13,929,469	(1,098,759)	12,830,710	10,946,586	(2,656,970)	8,289,166
	13,929,469	(1,098,759)	12,830,710	10,946,586	(2,656,970)	8,289,166

Movement of impairment

	March 2026	March 2025 Restated
Opening balance	2,656,970	2,632,595
Adjustment to impairment provision - GRAP 104	(1,469,553)	-
Closing balance	(520,878)	(2,656,970)
Movement	666,539	(24,375)

Impairment reconciliation

	March 2026
Opening balance for Provision	2,656,970
Impairment provision as per GRAP 104 (2024/25)	(1,187,418)
Change in impact - GRAP 104	1,469,552
Change in impact for the impairment	1,469,552

The basis (calculation) for the impairment provision for trade receivables

The impairment provision for trade receivables is calculated by applying the provision matrix based on the historical data and is adjusted for forward-looking estimates (where necessary). Management analysed and assessed the recovery of debts over 120 days for this certification, verification and quality assurance debts and established the following:

- » Certification - on average, almost 50% of certification debtors struggle to pay their outstanding debts. The management considered the 50% as a reasonable rate to calculate impairment provision for certification debts.
- » Verification - on average, almost 26% of verification debtors struggle to pay their outstanding debts. The management considered the 26% as a reasonable rate to calculate impairment provision for verification debts.
- » Quality assurance (Assessment bodies) - No impairment provision was made for quality assurance debts. Umalusi always collects the amount due by assessment bodies.
- » No impairment is provided for on outstanding debts between 1 and 120 days. The age bucketing is as follows:

Age Bucket	Historical Loss Rate
- Current	0%
- 30 Days	0%
- 60 Days	0%
- 90 Days	0%
- 120 Days	0%
- 120 +Days	50% Certification and 26% Verification

3. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

2025/26

Category	120 Days	90 Days	60 Days	30 Days	Current	Total Due
Certification	980,001	68,362	74,092	43,013	117,521	1,282,989
Verification	118,758	6,006	221,212	2,131,559	3,231,146	5,707,643
Quality assurance (Assessment bodies)	-	13,440	-	2,677,600	4,247,797	6,938,837
Total	1,098,759	87,808	295,304	4,852,172	7,596,464	13,929,469

Category	Amount	Rate	Impairment
Certification	980,001	50 %	490,001
Verification	118,758	26 %	30,877
Total	1,098,759	76 %	520,878

2024/25

Category	120 Days	90 Days	60 Days	30 Days	Current	Total Due
Certification	2,111,475	572	151,399	20,327	144,578	2,427,893
Verification	506,463	25,714	174,520	668,215	1,850,856	3,225,767
Quality assurance (Assessment bodies)	39,032	-	-	-	5,171,830	5,210,862
Total	2,656,970	26,286	325,919	688,542	7,167,264	10,864,522

Category	Amount	Rate	Impairment
Certification	2,111,475	50 %	1,055,738
Verification	506,463	26 %	131,680
Quality assurance (Assessment bodies)	39,032	- %	-
Total	2,656,970	76 %	1,187,418

Age analysis – prior to the write-off of the irrecoverable debts

The following age analysis tables (2024/25 and 2025/26) were used to assess the historical payment patterns and trends of certification and verification debtors and outstanding quality assurance fees by the assessment bodies on a monthly basis throughout the financial year for trade receivables (excluding other receivables). These fees account for approximately 98% of trade and other receivables. The analysis was conducted prior to the write-off of irrecoverable debts to ensure that management could determine the appropriate impairment rates. The assessment was also conducted monthly and therefore did not account for movements during the year. Because these amounts are specifically used to calculate impairment rates (including debts written off), they differ from the age analysis table at year-end after the write-off is considered. The analysis showed that quality assurance fees are generally raised at the end of the financial year and paid within 30 days. Only in extreme cases, where there are disputes in invoices raised, such fees may be paid beyond 30 days. As a result, no impairment was considered appropriate for the outstanding quality assurance fees by management.

3. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

Age analysis March 2026

Certification	120 Days	90 Days	60 Days	30 Days	Current	Gross amount
Gross amount	27,940,117	496,536	786,776	827,213	991,153	31,041,795
Average	2,328,343	41,378	65,565	68,934	82,596	2,586,816
Percentage (%)	90 %	2 %	2 %	3 %	3 %	100 %
	30,268,550	537,916	852,343	896,150	1,073,752	33,628,711

The gross amount is the total of monthly age analysis from April 2025 to March 2026. The average is the gross amount divided by 12 months. A significant amount of certification debts (90%) is over 120 days. On average (for both 2024/25 and 2025/26), the certification debt over 120 days is 83.5%. The majority of these debtors take a long time to pay. Because of the cyclical nature of examinations and certificate issuance, some institutions delay payments until the next cycle.

Verification	120 Days	90 Days	60 Days	30 Days	Current	Gross amount
Gross amount	4,490,038	2,519,911	3,271,863	22,028,642	29,256,061	61,566,515
Average	374,170	209,993	272,655	1,835,720	2,438,005	5,130,543
Percentage (%)	7 %	4 %	5 %	36 %	48 %	100 %
	4,864,215	2,729,908	3,544,523	23,864,398	31,694,114	66,697,158

The gross amount is the total of monthly age analysis from April 2025 to March 2026. The average is the gross amount divided by 12 months. Verification services are normally paid as and when they are needed. The majority of these payments (93%) are made within 90 days. On average (for both 2024/25 and 2025/26), the verification debt over 120 days is 14%. 80% of these institutions pay within 30 days.

Quality assurance (Assessment bodies)	120 Days	90 Days	60 Days	30 Days	Current	Gross amount
Gross amount	-	13,440	-	2,735,520	1,763,680	4,512,640
Average	-	1,120	-	227,960	146,973	376,053
Percentage (%)	0 %	0 %	0 %	61 %	39 %	100 %
Subtotal	-	14,560	-	2,963,541	1,910,692	4,888,793
	-	14,560	-	2,963,541	1,910,692	4,888,793

Age analysis March 2025

Certification	120 Days	90 Days	60 Days	30 Days	Current	Gross amount
Gross amount	31,030,779	2,188,666	2,083,755	2,259,646	2,628,152	40,190,998
Average	2,585,898	182,389	173,646	188,304	219,013	3,349,250
Percentage (%)	77 %	5 %	5 %	6 %	7 %	100 %
	33,616,754	2,371,060	2,257,406	2,447,956	2,847,172	43,540,348

Verification	120 Days	90 Days	60 Days	30 Days	Current	Gross amount
Gross amount	7,331,676	974,775	2,861,531	7,227,352	16,409,612	34,804,946
Average	610,973	81,231	238,461	602,279	1,367,468	2,900,412
Percentage (%)	21 %	3 %	8 %	21 %	47 %	100 %
	7,942,670	1,056,009	3,100,000	7,829,652	17,777,127	37,705,458

Quality assurance (Assessment bodies)	120 Days	90 Days	60 Days	30 Days	Current	Gross amount
Gross amount	1,832,943	973,430	1,013,166	1,085,366	2,212,515	7,117,420
Average	152,745	81,119	84,431	90,447	184,376	593,118
Percentage (%)	26 %	14 %	14 %	15 %	31 %	100 %
	1,985,714	1,054,563	1,097,611	1,175,828	2,396,922	7,710,638

3. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)

3.2 Other receivables

Other receivables comprise staff debtors, municipal deposits and third parties (recoveries). No impairment was done on these debtors because of the following reasons:

- » Staff debtors – these debts arise from, among others, the overpayments made to staff, medical aid contributions or claims. Once it is established that an official owes Umalusi, recovery is made through payroll (deduction from the salary) after consultation and payment arrangements are made with the relevant official.
- » Municipal deposit – this is the amount that was paid as a deposit to the City of Tshwane when Umalusi started its operations or established its offices at Persequor Techno Park in 2001.
- » Third parties – the debt resulted from overpayments that were made to the third parties (medical aid schemes, social club and NEHAWU) in the 2024/25 FY. The amount has since been recovered.

	120 Days	90 Days	30 Days	Current	Total Due
Deposit	3,450	-	-	-	3,450
Staff debtors	120,053	110,511	94,850	94,850	94,850
Accreditation - underpayment	(33,625)	9,625	124,380	134,853	235,234
	89,878	120,136	219,230	229,703	333,534

March 2025

Other receivables

	120 Days	90 Days	30 Days	Current	Total Due
Deposit	3,450	3,450	3,450	3,450	3,450
Staff debtors	116,838	110,687	183,840	183,840	183,840
Accreditation - underpayment	(3,134)	(8,600)	(25,938)	125,783	88,111
Third parties recoveries	-	-	-	34,810	34,810
	117,154	105,537	161,352	347,883	310,211

4. STATUTORY RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS*

	March 2026	March 2025 Restated
Independent Schools and colleges	726,020	450,425
Further Education and Training	64,335	143,487
Adult Education and Training	27,379	20,376
Total Receivables from non-exchange transactions	817,734	614,288

Statutory receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2026, R62 738 (31 March 2025: R5 021) were past due but not impaired. There was no impairment provision for the statutory receivable for the 2025/26 financial year.

March 2026

Category	120 Days	90 Days	60 Days	30 Days	Current	Total Due
Biennial accreditation	-	62,738	-	46,403	708,593	817,734
Total	-	62,738	-	46,403	708,593	817,734

March 2025

Category	120 Days	90 Days	60 Days	30 Days	Current	Total Due
Biennial accreditation	-	71	4,950	-	609,267	614,288
Total	-	71	4,950	-	609,267	614,288

* The statutory receivables from non-exchange transactions were understated by an amount of R614 288 in the previous financial year. Refer to Note 28.

Statutory receivables general information

In terms of the policy and criteria for the quality assurance, accreditation and monitoring of independent schools and policy for quality assurance of private colleges, the schools and the colleges are required to pay biennial accreditation fees at the beginning of every second year post-accreditation by Umalusi. These amounts comprise of the outstanding balances at the end of the financial year.

5. PREPAYMENTS

The prepayments relate to the following:

	March 2026	March 2025 Restated
Software licence	4,857,185	5,279,126
Leave utilised in advance	-	20,493
Flights	254,496	293,010
Total	5,111,681	5,592,629

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	3,181	1,110
Bank balances	331,304	595,533
Short-term deposits	6,995,726	18,304,776
Payfast	209,686	121,131
Total	7,539,897	19,022,550

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. PROPERTY, PLANT AND EQUIPMENT

	2026			2025		
	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	11,020,000	-	11,020,000
Buildings	67,236,270	(12,025,001)	55,211,269	67,236,270	(9,816,779)	57,419,491
Plant and machinery	58,600	(40,051)	18,549	58,600	(32,412)	26,188
Furniture and fixtures	3,827,340	(3,376,786)	450,554	3,787,689	(3,192,386)	595,303
Motor vehicles	360,445	(317,844)	42,601	360,445	(296,544)	63,901
Office equipment	6,136,906	(3,905,744)	2,231,162	5,795,653	(2,843,287)	2,952,366
IT equipment	20,055,020	(15,905,546)	4,149,474	17,940,299	(13,213,058)	4,727,241
Computer software	216,900	(216,900)	-	216,900	(216,900)	-
Other equipment	2,035,258	(1,599,546)	435,712	2,035,258	(1,262,153)	773,105
Total	110,946,739	(37,387,418)	73,559,321	108,451,114	(30,873,519)	77,577,595

Reconciliation of property, plant and equipment - 31 March 2026

	Opening balance	Additions	Depreciation	Total
Land	11,020,000	-	-	11,020,000
Buildings	57,419,491	-	(2,208,222)	55,211,269
Plant and machinery	26,188	-	(7,639)	18,549
Furniture and fixtures	595,303	39,652	(184,401)	450,554
Motor vehicles	63,901	-	(21,300)	42,601
Office equipment	2,952,366	341,252	(1,062,456)	2,231,162
IT equipment	4,727,241	2,114,721	(2,692,488)	4,149,474
Other equipment	773,105	-	(337,393)	435,712
	77,577,595	2,495,625	(6,513,899)	73,559,321

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	11,020,000	-	-	-	11,020,000
Buildings	61,680,001	417,452	-	(4,677,962)	57,419,491
Plant and machinery	33,828	-	-	(7,640)	26,188
Furniture and fixtures	750,303	-	-	(155,000)	595,303
Motor vehicles	85,201	-	-	(21,300)	63,901
Office equipment	3,154,284	711,225	-	(913,143)	2,952,366
IT equipment	7,604,378	1,627,296	(48,035)	(4,456,398)	4,727,241
Other equipment	1,110,497	-	-	(337,392)	773,105
	85,438,492	2,755,973	(48,035)	(10,568,835)	77,577,595

Revaluation

Land and buildings are revalued every four years. The last revaluation took effect on 31 March 2024 and was conducted by independent valuers. The revaluation was performed by a registered member (6602/8) of the South African Institute of Valuers.

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 General van Ryneveld Street, portion of 1 and 2 of Erf2, Perseus Township, Gauteng and measuring 5 721 and 5 879 square metres, respectively, are valued at R40,200,000 and R32,500,000.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The income approach of valuation is determined by using a market related rental for the subject property and capitalising this rental with an appropriate capitalisation rate. This rate is influenced by economic factors such as prevailing interest rates in the country. The less risk there is to a property, the lower the initial annual return required by the investor and the higher the value, and vice versa. The market value is primarily driven by the ability of the property to sustain its anticipated rental income over the period of investment, including good capital growth. Little or no capital growth will push the capitalisation rate upwards as the investor would want a higher initial return on his annual income.

Restrictions

Umalusi owns the above-mentioned land and buildings. There are no encumbrances or mortgage claims against Umalusi properties.

Reassessment

All categories of assets except land and buildings were reassessed at the end of financial year. Land and buildings are revalued every four years.

Expenditure incurred to repair and maintain property, plant and equipment

Land
Buildings
Office Equipment

March 2026	March 2025 Restated
585,210	662,662
1,179,523	1,769,075
641,013	578,626
2,405,746	3,010,363

8. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade payables
Unknown deposits
Accrued expense
Payroll creditors
Credit card
Overpayments for Certification and Verification fees
Operating lease liability*

1,845,342	8,662,672
330,045	40,314
1,283,086	5,293,430
363,209	-
7,675	1,317
683,081	-
-	46,062
4,512,438	14,043,795

* Prior year amount restated (refer to Note 28)

9. SHORT-TERM EMPLOYEE BENEFITS

	March 2026	March 2025 Restated
Accumulated Leave Obligation	5,481,239	5,103,239
Performance Bonus Provision	3,755,078	2,700,000
Accrued Bonus	1,254,728	1,345,262
	10,491,045	9,148,501

Reconciliation of short-term employee benefits - 31 March 2026

	Opening Balance	Additions	Utilised during the year	Total
Accumulated Leave Obligation	5,103,231	9,217,939	(8,839,931)	5,481,239
Performance Bonus Provision	2,700,000	3,755,078	(2,700,000)	3,755,078
Accrued Bonus	1,345,263	3,100,276	(3,190,811)	1,254,728
	9,148,494	16,073,293	(14,730,742)	10,491,045

Reconciliation of short-term employee benefits - 31 March 2025

Accumulated Leave Obligation	4,366,569	9,046,040	(8,309,378)	5,103,231
Performance Bonus Provision	2,623,677	2,700,000	(2,623,677)	2,700,000
Accrued Bonus	1,159,593	3,548,458	(3,362,788)	1,345,263
	8,149,839	15,294,498	(14,295,843)	9,148,494

Accumulated Leave Obligation

Accumulated leave comprise the leave days balance at the end of the financial year, limited to each employee's annual entitlement.

Performance Bonus Provision

The performance bonus is payable to the qualifying employees or the employees who meet the requirements as per the performance management and development policy. Provision is made at the end of the reporting period based on historical information.

Accrued Bonus

Umalusi employees have two options to structure their 13th cheque, that is, annual payment or monthly payment. The accrued bonus is calculated for the employees who opted for annual payment. The bonus is calculated based on the amount accrued to each employee on a monthly basis at the end of the reporting period.

10. DEFERRED INCOME

	March 2026	March 2025 Restated
Movement in deferred income		
Opening balance	13,013,358	10,624,792
Net adjustment	(3,387,545)	2,388,566
	9,625,813	13,013,358

The deferred income comprises of advance payments made by the applicants to Umalusi for the accreditation services. These amounts are recognised as revenue after service has been rendered by Umalusi.

11. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans - general information employee 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 makes a contribution per month on behalf of the retirees, provided the retired employee has completed a minimum of ten (10) years of unbroken service in government and has retired while working for Umalusi. Umalusi contributes a fixed amount of R3,000 monthly subsidy (except where medical aid monthly premiums are less than R3,000) for eligible retirees who have at least 10 years of unbroken service and retire from Umalusi, with the subsidy ceasing upon death.

The actuarial valuation for the employee defined benefit obligation was done by 3ONE Consulting Actuaries, 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 full retirement. The obligation is accounted for under GRAP 25. There is no statutory minimum funding requirement. The SARB investment is recognised as a qualifying plan asset and there is no asset-ceiling adjustment applicable. Umalusi's Council and management are responsible for setting the subsidy policy, determining eligibility and overseeing the investment. There are no separate trustees or external plan managers.

The regulatory framework applied in actuarial valuation of the defined benefit obligation is in line with the Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 301, and is consistent with the requirements of GRAP 25.

Post - retirement medical aid fund

Umalusi opened an investment account to fund the post-retirement medical aid obligation for the qualifying retired employees in 2022/23 financial year (FY). Umalusi invested an amount of R10 million cumulatively from 2022/23 FY until the end of 2025/26 FY. Total accumulated interest earned by the investment from 2022/23 FY to 2025/26 FY is R1 775 076. This fund is ring-fenced and is not available to Umalusi creditors. The total amount of the investment (capital and interest) is R11.8 million as of March 2026.

Plan amendments, curtailments or settlements (post-retirement medical aid fund)

There were no plan amendments, curtailments or settlements during the current reporting period. The fair values of employee benefit obligation and the post-retirement medical aid fund are as follows:

The current and previous periods - fair value of liability and asset

	March 2026	March 2025
Defined benefit liability	(13,334,000)	(14,379,000)
Post-retirement medical aid fund	11,775,076	10,001,577
	(1,558,924)	(4,377,423)

The amounts recognised in the statement of financial performance are as follows:

Net interest on defined benefit liability

Interest cost	1,596,000	1,549,000
Expected return on plan assets	(1,130,499)	(655,340)
	465,501	893,660

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Liability and Asset Reconciliation

March 2026	Liability	Asset	Net liability
Actual value as at 31 March 2025	14,379,000	(10,002,000)	4,377,000
Service cost	1,203,000	-	1,203,000
Interest cost	1,596,000	(1,130,000)	466,000
Benefit payments	(519,000)	-	(519,000)
Employer contribution into asset	-	(1,000,000)	(1,000,000)
Expected value as at 31 March 2026	16,659,000	(12,132,000)	4,527,000
Actuarial (gain)/loss as at 31 March 2026	(3,325,000)	357,000	(2,968,000)
Actual value as at 31 March 2026	13,334,000	(11,775,000)	1,559,000

March 2025			
Actual value as at 31 March 2024	11,865,000	(6,346,237)	5,518,763
Service cost	1,895,000	-	1,895,000
Interest cost	893,660	(655,340)	238,320
Benefit payments	(485,000)	-	(485,000)
Employer contribution into asset	-	(3,000,000)	(3,000,000)
Expected value as at 31 March 2025	14,168,660	(10,001,577)	4,167,083
Actuarial (gain)/loss as at 31 March 2025	210,340	-	210,340
Actual value as at 31 March 2025	14,379,000	(10,001,577)	4,377,423

The amounts recognised in the statement of financial position are as follows:

	March 2026	March 2025 Restated
Carrying value		
Present value of the defined benefit obligation	(13,334,000)	(14,379,000)
Fair value of plan assets	11,775,076	10,001,577
	(1,558,924)	(4,377,423)

The following table shows the split between the short term and the long term liability

Descriptions	Liability	Net Liability
Current liability	789,000	92,000
Non-current liability	12,545,000	1,467,000
Total	13,334,000	1,559,000

Annual expenses (current and projected)

Expense item	Year ended 31 March 2027	Year ended 31 March 2026
Service cost	696,000	1,203,000
Interest cost	1,282,000	1,596,000
Expected return on asset	(1,169,000)	(1,130,000)
Annual expense	809,000	1,669,000
Benefits payments by employer	(789,000)	(519,000)
Employer contribution into asset	-	(1,000,000)
Change in net liability (excluding actuarial (gain)/loss)	20,000	150,000

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Actuarial gain /loss

Impact on actuarial (gain)/loss

Explanatory factor	Liability	Asset	Net liability
1. Change in financial assumptions	1,188,000	-	1,188,000
2. Actual vs expected inflation	(334,000)	-	(334,000)
3. Actual vs expected change in membership	(4,179,000)	-	(4,179,000)
4. Actual vs expected return on assets	-	357,000	357,000
Total actuarial (gain)/loss	(3,325,000)	357,000	(2,968,000)

Liability projection

Period	Liability	Net liability
31 March 2026	13,334,000	1,559,000
31 March 2027	14,523,000	1,579,000
31 March 2028	15,712,000	1,482,000
31 March 2029	16,964,000	1,321,000
31 March 2030	18,257,000	1,061,000
31 March 2031	19,519,000	615,000

Strategy and maturity profile of the employee benefit plan

The post-retirement medical aid fund plan (SARB plan asset) is held specifically to fund future post-retirement subsidies and is assumed to earn the discount-rate return. No annuities, longevity swaps or other hedging instruments are currently used. The liability is expected to peak at about R19.5 million around 2031.

Key assumptions used

Assumptions used at the reporting date:

Financial assumptions

	March 2026	March 2025 Restated
Consumer Price Inflation (CPI)	5.08 %	5.88 %
Subsidy inflation (CPI*50%)*	2.54 %	2.94 %
Discount rate	9.93 %	11.30 %
Real discount rate	7.21 %	8.12 %

The post-retirement subsidies are assumed to increase at 50% of CPI (2.54% p.a. for 2026 based on implied CPI of 5.08% p.a.). No separate medical cost inflation assumption is used because the subsidy is a fixed Rand amount, and, if adjusted, will follow this CPI × 50% assumption rather than normal medical scheme increases used to determine the overall expected rate of return on assets.

The discount rate is derived from nominal zero-coupon government bond yields at the liability term, with CPI inferred from the real yield curve.

Demographic assumptions	Current valuation (31 March 2026)	Prior year valuation (31 March 2025)
Normal retirement age ('NRA')	60 years	60 years
Continuation at retirement	100%	100%
Employment age used for past service period	1 Actual service entry age	Actual service entry age

An average retirement age of 60 years implicitly allows for ill-health and early retirement and therefore the ill-health and early retirement assumption has been set to 0%

Sensitivity analysis

The table below shows the impact on the accrued liability and annual expense of varying key assumptions.

11. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

Assumption	Variation	Change in accrued liability	Change in annual expense	Accrued liability	31 March 2026 Annual Expense
Post-retirement mortality	PA (90) +1	-2.1 %	-2.1 %	13,053,432.0	1,936,881
Post-retirement mortality	PA (90) -1	2.1 %	2.0 %	13,607,324.0	2,018,875
Subsidy increases	1	11.7 %	14.3 %	14,888,128.0	2,260,711
Subsidy increases	-1 %	-9.9 %	-11.9 %	12,031,610.0	1,743,380
Discount rate	1 %	-9.4 %	-5.1 %	12,083,568.0	1,878,490
Discount rate	-1 %	11.1 %	5.9 %	14,817,539.0	2,095,496

The 1% increase in the discount rate as at 31 March 2026 results in a 9.4% decrease in the accrued liability, whilst a 1% decrease in the discount rate will result in a 11.1% increase in the accrued liability. The discount rate is inversely related to the accrued liability. An increase in the discount rate decreases the accrued liability and vice versa.

Mortality Table

Age

Pre-retirement (active employees)
Post-retirement (pensioners)

Mortality 2026	Mortality 2025
SA 85-90	SA 85-90
PA (90)	PA (90)

Assumptions (Mortality)

The tables above show the impact of a change in the mortality assumption by 20% from the mortality basis of PA (90). Applying a positive 20% to the mortality results in a heavier mortality for the participants, implying that their chances of survival have reduced as compared to the mortality basis. Inversely, applying a negative 20% will allow the participants to live longer than the mortality basis. Therefore, a positive 20% adjustment on the mortality basis would result in a 2.06% decrease in the accrued liability, whilst a negative 20% adjustment on the mortality basis would result in a 2.48% increase in the accrued liability.

Key risks (risk analysis)

Umalusi is exposed to the following risks:

- » **Longevity risk:** Umalusi has committed itself to paying post-employment medical subsidies for as long as eligible continuation pensioners remain alive. In this valuation, post-retirement mortality was modelled using the PA(90) mortality table. If continuation pensioners live longer than allowed for in the valuation basis, subsidies will be paid for longer than expected and the accrued liability and annual expense will increase. This is illustrated in the sensitivity testing above, where a reduction in post-retirement mortality leads to an increase in both the accrued liability and annual expense.
- » **Operational risk:** This is the risk arising from inadequate or failed internal processes, people, systems or data. The valuation relies on the accuracy and completeness of the membership and subsidy data supplied by Umalusi effective 31 March 2026. Although reasonability checks were performed on the data provided, undetected errors or omissions may still affect the results. For example, incorrect dates of birth, service histories, subsidy amounts or member statuses could lead to liabilities and projected expenses being misstated.
- » **Economic risk:** The valuation is sensitive to the financial assumptions used to project and discount future subsidy cashflows. The discount rate was derived from the zero-coupon South African government bond yield curve and selected with reference to the discounted mean term of the liability, while CPI was inferred from the gap between nominal and real yields. The subsidy inflation assumption was then set at 50% of CPI, consistent with the approach used in the previous valuation, and the discount rate was used to model future investment return on the qualifying plan asset. Changes in bond yields, inflation expectations and broader market conditions could therefore materially affect both the liability value and the annual expense.
- » **Maximum Subsidy Inflation Risk:** The valuation assumes that future subsidy increases will be 50% of CPI. Actual future subsidy increases may differ from this assumption, particularly because subsidy adjustments are ultimately determined by Umalusi's policy and practice rather than by a fixed contractual escalation formula. If future subsidy increases are higher than assumed, the accrued liability and annual expense will be higher than projected; if they are lower, the liability and annual expense will reduce.

12. ACCUMULATED SURPLUS

	Opening balance	Movement during the year	Closing balance
March 2026			
Revaluation reserve	23,393,588	-	23,393,588
Accumulated surplus	47,429,774	3,817,547	51,247,321
	70,823,362	3,817,547	74,640,909
March 2025			
Revaluation reserve	23,393,588	-	23,393,588
Accumulated surplus	73,093,809	(25,664,035)	47,429,774
	96,487,397	(25,664,035)	70,823,362

Refer to the Statement of Changes in Net Assets for more details on movements. The revaluation reserve emanated from the revaluation surplus of Umalusi House and Thuto-Mfundo office buildings. The land and buildings are revaluated every four years by the independent valuers.

13. REVENUE

	March 2026	March 2025 Restated
Revenue from exchange transactions is as follows:		
Accreditation fees*	10,555,986	5,820,580
Certification fees	11,629,194	8,574,556
Verification fees	29,308,358	21,366,899
Rental income	1,452,095	1,452,095
Quality assurance fees*	3,042,997	1,810,654
Other income	1,059,592	4,324,493
Interest received - short-term deposit	2,329,569	3,445,793
Remeasurement - employee benefit obligation	2,968,000	-
	62,345,791	46,795,070
Other income*		
AEAA conference fees	-	3,392,401
Proceeds on disposal of assets (fully depreciated assets)	46,528	85,979
Sundry income	346,525	846,113
Impairment provision - reversal	666,539	-
	1,059,592	4,324,493

*Prior year amount of accreditation fees was restated and the quality assurance fees were included in other income in the previous financial year. Refer to Note 28.

14. GOVERNMENT GRANT AND DONATIONS

Operating grants

Government grant

March 2026	March 2025 Restated
174,384,000	166,918,000

The approved 2025/26 grant allocation from the Department of Basic Education was received in full during the financial year.

Donations

Unicef	-	548,970
Old Mutual	1,000,000	400,000
MTN	-	250,000
Oxford	-	50,000
Government printing	-	70,000
IEB	-	110,688
FUNDI	-	30,000
Cambridge	-	50,000
ETDP SETA	-	150,000
COLTECH	-	20,000
	1,000,000	1,679,658
	175,384,000	168,597,658

15. BIENNIAL ACCREDITATION FEES

Independent Schools and Colleges

2,546,969	1,955,552
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Biennial accreditation fees are paid every two years by the independent schools and private colleges. Prior year amount was included in accreditation fees.

16. EMPLOYEE-RELATED COSTS

Total earnings and other costs	100,267,821	88,095,862
Medical aid	1,685,694	3,348,434
UIF	676,057	642,771
Pension	15,169,180	13,475,747
	117,798,752	105,562,814

17. MODERATION AND VERIFICATION COSTS

Moderation and verification costs

42,405,005	44,609,821
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Umalusi appoints independent contract workers to assist in quality assurance services (moderation of question papers and marking guidelines). These activities are, among others, critical quality assurance processes that ensure that question papers are relatively fair, valid and reliable.

18. BAD DEBTS WRITTEN OFF

Bad debts written off

1,680,796	597,094
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The Executive Committee of Council (EXCO) approved the write-off of irrecoverable debts amounting to R1,806,476 and R678,442 in 2025/26 and 2024/25 financial year respectively. However, the total amount written off in the financial statements is R1,680,796 and R597,094 for 2025/26 and 2024/25 financial year, respectively. The variances were as a result of duplication of some debtors. While Umalusi has written off these amounts for accounting purposes, the management will pursue alternative means to recover the debts.

**Bad debts written off was previously combined with provision for doubtful debts. Refer to Note 28.*

19. OPERATING LEASE ASSET (LIABILITY)

	March 2026	March 2025 Restated
Lease asset (liability)*	58,144	(46,062)

* Prior year amount restated.

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

Minimum lease payments due

- within one year	817,261	1,510,861
- in second to fifth year	1,165,947	2,676,808
	1,983,208	4,187,669

20. GENERAL EXPENSES

Advertising	177,564	153,143
Auditors fees	1,898,082	3,558,165
Bank charges	566,039	389,415
Cleaning	1,634,764	1,051,487
Computer and licensing	8,947,697	7,956,750
Consulting and professional fees	6,055,341	5,148,573
Insurance	417,230	361,323
IT expenses	8,428,482	14,234,659
Levies	1,578,437	1,867,367
Printing and stationery	1,044,649	1,780,145
Courier fees	1,642,330	1,067,788
Repairs and maintenance	2,405,746	3,010,363
Records management	122,404	225,249
Security	2,866,184	2,260,728
Subscriptions and membership fees	112,576	158,793
Telephone	587,953	692,525
Training	749,154	679,445
Travel - local	14,633,271	16,202,010
Travel - overseas	1,357,134	1,510,524
Catering	915,714	707,793
Electricity	2,357,086	2,135,649
Certificate paper	4,213,604	2,133,296
Employee wellness	97,352	287,545
Interviews and recruitment	869,975	1,353,357
Other expenses	1,065,130	1,163,637
Refreshments	290,468	401,782
Conferences and workshop	1,000,620	7,142,461
Loss on disposal of assets	-	48,036
Venue expenses	357,274	971,881
	66,392,260	78,653,889

21. CASH FLOWS FROM OPERATING ACTIVITIES

	March 2026	March 2025 Restated
Receipts		
Accreditation fees	16,143,673	13,472,685
Certification fees	5,025,758	1,274,399
Verification fees	26,054,440	24,307,323
Rental fees	967,413	1,113,371
Sundry income	1,217,356	233,616
AEEA conference	-	1,565,768
Assessment body (Quality assurance fees)	1,816,894	888,357
Grant - DBE	174,384,000	166,918,000
Interest received - CPD	2,302,950	3,395,159
Interest received - ABSA	26,619	50,635
	227,939,103	213,219,313
Payments		
Employee costs	(132,332,088)	(121,252,259)
External claims	(34,714,722)	(35,429,485)
Suppliers	(69,879,320)	(67,035,346)
	(236,926,130)	(223,717,090)

22. CASH USED IN OPERATIONS

Surplus (deficit)*	3,817,547	(25,667,548)
Adjustments for:	6,513,899	10,568,835
Depreciation**		
Loss on disposal of assets	465,501	893,660
Bad debts written off - Other	1,680,796	597,094
Movements in operating lease assets and accruals	-	(35,192)
Movements in retirement benefit assets and liabilities	(2,818,499)	(1,141,340)
Movements in provisions*	1,342,544	998,662
Deferred income	(3,387,545)	2,388,566
Biennial fees*	(2,546,969)	(1,955,552)
Remeasurement	2,968,000	(210,340)
Rental smoothing	(1,452,095)	(1,452,095)
Lease rentals on operating lease	-	(346,423)
Changes in working capital:	(5,201,119)	(6,634,674)
Trade and other receivables from exchange transactions**		
Impairment provision**	(1,115,232)	(24,375)
Statutory receivables from non-exchange transactions**	(203,446)	4,413,226
Prepayments	480,948	7,940
Trade and other payables from exchange transactions**	(9,531,357)	7,101,779
	(8,987,027)	(10,497,777)

* Prior year amount restated

** Prior year name changed and/or amount restated

23. CONTINGENT ASSETS AND LIABILITIES

Contingent assets

Joint Venture (construction project)

In the 2016/17 financial year, a contract was awarded to refurbish the Umalusi property at 41 General Van Ryneveld Street. The contract was awarded to a joint venture (JV). All work on site was stopped on 10 October 2017 based on disagreements between the joint venture partners. On 23 November 2017, after several interventions and letters from the parties' legal representatives, Umalusi cancelled the contract with the JV. At the time of the cancellation, Umalusi had paid for long-lead items, and these have not been delivered. The matter was reported to law enforcement to recover the amount. Umalusi has instituted legal action against the JV parties to recover the outstanding amounts. The project has subsequently been completed by another contractor. In the arbitration matter, Umalusi was successful in the merits of the case. Currently, as at the financial year-end, the quantum is being determined by expert witnesses, and it is anticipated that the arbitration hearing will continue during the 2026/27 financial year to bring this matter to a conclusion.

Randview College

Umalusi was directed to accredit Randview College as a Grade 12 examination centre through an application in the High Court. The application was dismissed with costs as it was deemed not competent in law. Umalusi was informed by its legal team that a Notice of intent to tax bill of costs was raised in the amount of R121,999 and that the hearing is scheduled to take place as per the court roll on 23 September 2026.

Contingent liabilities

Umalusi did not have contingent liabilities in the current year. However, Umalusi has a surplus of R5 702 054 as per the statement of financial performance. Umalusi will declare a surplus to the National Treasury calculated in line with Instruction note 03 of 2025/26 after the annual financial statements have been audited.

24. RELATED PARTIES

Relationships

Controlling entity - Umalusi is owned by the national government and under the control of the Minister responsible for the Department of Basic Education (DBE).

Related party transactions

Amount paid to (received from) related parties

	March 2026	March 2025 Restated
Entities under common control - grant from the DBE	(174,384,000)	(166,918,000)
Council members	1,165,530	1,132,538
Executive and senior management	24,269,237	22,201,483

Umalusi transacted with the following state entities, which are under common control: SITA, SARS and GEPP. However, these transactions were concluded on normal operating terms and therefore these transactions are exempted for disclosure in term of GRAP 20. Only transactions which are not concluded on normal operating terms with the related parties are disclosed. There were no outstanding balances or commitments with the related parties.

24. RELATED PARTIES (CONTINUED)

Remuneration of management Council members

31 March 2026

Name	Fees for services as a member of management	Other benefits received	Total
Prof. Y Balim (Chairperson)	273,695	9,724	283,419
Prof. TP Msibi (Deputy Chair)	121,530	1,050	122,580
Mr DB Hindle	129,363	11,862	141,225
Dr L Mokotjo	92,697	3,694	96,391
Dr C Myburgh	141,621	1,623	143,244
Dr KM Dos Reis	67,931	450	68,381
Adv MJ Merabe	30,717	150	30,867
Prof. M Metcalfe	34,381	1,002	35,383
Prof. L Jita	129,057	938	129,995
Mr NT Johnstone	61,798	3,215	65,013
Ms F Solomon	30,899	200	31,099
Dr RE Moraka	16,854	1,079	17,933
	1,130,543	34,987	1,165,530

31 March 2025

Name	Fees for services as a member of management	Other benefits received	Total
Prof. Y Balim (Chairperson)	259,238	12,507	271,745
Prof. TP Msibi (Deputy Chair)	108,837	1,200	110,037
Mr DB Hindle	139,888	13,968	153,856
Dr L Mokotjo	94,430	3,454	97,884
Dr C Myburgh	141,428	2,135	143,563
Dr KM Dos Reis	54,454	300	54,754
Adv MJ Merabe	24,108	360	24,468
Prof. M Metcalfe	34,770	400	35,170
Prof. L Jita	139,065	1,061	140,126
Mr NT Johnstone	53,960	1,272	55,232
Ms F Solomon	24,282	200	24,482
Ms L Moyane	-	4,833	4,833
Dr RE Moraka	16,188	200	16,388
	1,090,648	41,890	1,132,538

24. RELATED PARTIES (CONTINUED)

Management class: Executive management

31 March 2026

Name	Basic salary	Performance bonus	Retirement fund contributions	Medical contribution	Other benefits received	Total
CEO: Dr MS Rakometsi	2,718,474	229,152	275,418	34,800	368,326	3,626,170
CFO: Mr MH van der Walt	1,545,895	133,325	162,662	34,800	245,655	2,122,337
EM: Q&R - Dr E Sibanda	1,569,707	131,355	160,243	34,800	26,488	1,922,593
EM: QAM - Dr E Sujee	1,467,571	90,097	146,549	-	32,066	1,736,283
SM: QAA(SQ) - Dr M Malia	1,172,470	-	120,536	34,800	11,991	1,339,797
SM: E&A - Ms C Thomas (Pensioned April 2025)	113,443	111,304	10,551	-	61,474	296,772
SM: QAA(PSQ) - Dr M Dliwayo	1,265,802	53,221	129,852	34,800	141,347	1,625,022
SM: QAA(SQ) - Mr DM Phokwani (Appointed 01/07/2025)	910,559	-	89,066	-	25,768	1,025,393
SM: SIR - Dr MA Mohale	1,299,215	106,442	129,852	-	155,951	1,691,460
SM: S&G - Ms M Mokoena	1,224,222	-	122,344	-	15,258	1,361,824
SM: PR&COMMS - Mr B Lepota	1,266,972	106,442	129,852	32,243	15,932	1,551,441
SM: HCM - Mr MP Mabelebele	1,258,740	77,489	126,042	8,700	17,539	1,488,510
SM:F&SCM - Dr MK Monate	1,242,556	76,344	124,180	-	9,879	1,452,959
SM: QCC - Mr D Twala	1,211,566	50,896	124,180	32,316	243,586	1,662,544
SM: ICT - Mr T Khaha	1,222,440	-	122,344	-	21,348	1,366,132
	19,489,632	1,166,067	1,973,671	247,259	1,392,608	24,269,237

31 March 2025

Name	Basic salary	Performance bonus	Retirement fund contributions	Medical contribution	Other benefits received	Total
CEO: Dr MS Rakometsi	2,620,114	171,864	240,609	5,800	340,276	3,378,663
CFO: Mr MH van der Walt	1,445,566	99,994	139,819	34,800	88,195	1,808,374
EM: Q&R - Mr E Sibanda	1,471,010	98,516	137,753	34,800	23,729	1,765,808
EM: QAM - Dr E Sujee	1,378,571	-	126,136	-	33,012	1,537,719
SM: QAA(SQ) - Ms ML Madalane (Retired 30/04/2024)	300,102	84,730	9,945	2,900	3,100	400,777
SM: QAA(SQ) - Ms Malia (Commenced 01/06/2024)	957,080	-	88,083	29,000	26,339	1,100,502
SM: QAA(PSQ) - Dr M Dliwayo	1,185,818	53,211	111,627	34,800	27,293	1,412,749
SM: E&A - Ms C Thomas	1,274,990	83,478	116,726	-	17,226	1,492,420
SM: S&G - Ms SB Mosimege (Resigned 31/05/2024)	413,697	94,213	20,970	-	17,902	546,782
SM: SIR - Dr MA Mohale	1,219,387	53,221	111,627	-	25,809	1,410,044
SM: S&G - Ms M Mokoena (Commenced 01/09/2024)	681,128	-	62,348	2,900	5,521	751,897
SM: PR&COMMS - Mr B Lepota	1,202,815	79,832	111,627	23,181	12,444	1,429,899
SM: HCM - Mr MP Mabelebele	1,144,053	-	108,485	34,800	17,816	1,305,154
SM:F&SCM - Dr MK Monate	1,153,148	-	106,882	31,900	11,430	1,303,360
SM: QCC - Mr D Twala	1,151,894	-	106,882	25,368	41,188	1,325,332
SM: ICT - Mr T Khaha	1,102,394	-	105,303	-	24,306	1,232,003
	18,701,767	819,059	1,704,822	260,249	715,586	22,201,483

25. RISK MANAGEMENT

Financial risk management

Umalusi's activities expose it to credit risk and liquidity risk.

Interest rate risk

Umalusi earns interest income on the short-term deposits made with the South African Reserve Bank (Corporation for Public Deposits). However, it should be noted that this interest income is not material to the overall funding of Umalusi's operations. The fluctuation of the interest rates does not have any impact on Umalusi's funding requirements to fulfill its mandate.

Liquidity risk

Umalusi is only exposed to liquidity risk with regards to the payment of its suppliers. The payment of suppliers is normally processed within 30 days, except where the contract stipulates otherwise. Umalusi manages its liquidity risk by holding sufficient cash in the primary bank account (ABSA), which is also supplemented by cash available in short-term deposits held in Corporation for Public Deposits (CPD).

The 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 invests 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 CPD, and other interest earned on these funds, are payable on demand.

Maturity analysis (Trade and other payables from exchange transactions)

March 2026	30 days	60 days	90 days	120+ days
Payables from exchange transactions	1,763,420	405	4,003	77,515
Unknown deposits	29,467	16,355	40,574	243,669
Accrued expenses	1,283,086	-	-	-
Overpayments for Certification and Verification fees	53,695	18,951	11,962	598,473

March 2025

Payables from exchange transactions	7,629,128	360,380	462,712	210,453
Unknown deposits	40,314	-	-	-
Accrued expenses	5,293,430	-	-	-

- » Umalusi strictly pays its suppliers within 30 days. This is also a requirement under the PFMA. Only invoices in dispute may be paid outside 30 days, depending on how long it takes to resolve the dispute.
- » Unknown deposits – Umalusi verifies unknown deposits as and when they are identified and consults ABSA to provide the depositors' details. Once the details are established, the amount is properly allocated to the correct accounts or refunded. In cases where depositors' details can not be traced, the amount is recognised as revenue after obtaining approval from the CFO or CEO.
- » The credit card is paid every month or as and when the funds are used.
- » Overpayments are always set off against the outstanding debts after consultation with the clients.

Credit risk

Trade and other receivables have been adequately assessed for impairment. Credit risk is managed on continuous basis. Credit risk on account receivables is managed through blocking or suspending the accounts of the schools and colleges with outstanding debts above 2 months. Trade and other payables are managed through keeping adequate cash reserves in both primary account (ABSA) and short-term deposits (SARB).

25. RISK MANAGEMENT (CONTINUED)

Financial instruments exposed to credit risk were as follows:

Financial assets

	March 2026	March 2025 Restated
Trade and other receivables from exchange transactions	13,891,275	8,216,810
Deposits (City of Tshwane)	3,450	3,450
Cash and cash equivalents	7,539,897	19,022,550
Staff debtors	94,850	183,840
Accreditation - underpayments	235,233	88,111

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

Financial liabilities

Trade and other payables from exchange transactions	1,845,342	8,662,272
Unknown deposits	330,045	40,314
Credit card	7,675	1,317
Overpayments for Certification and Verification fees	683,081	-
Accrued expenses	1,283,086	5,293,430
	4,149,229	13,997,333

26. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure identified - current	24,058	6,523
Add: Irregular expenditure identified - current period	6,290,712	31,166,918
Closing balance	6,314,770	31,173,441

The fruitless and wasteful expenditure in the current year of R24 058 includes interest charges of R23 163 of which R17 629 was condoned by EXCO in October 2025, and a penalty of R895 for the late submission of PoE, which was recovered from the employee responsible for the loss, as well as the expenditure of R5 534 incurred in March 2026, which is under investigation. The irregular expenditure of R6 290 712 related to over expenditure of the 2025/2026 budget. This expenditure is under investigation. The fruitless and wasteful expenditure in the previous year (2024/25) of R6 523 and irregular expenditure of R31 166 918 were condoned by EXCO in October 2025 and February 2026 respectively.

27. SEGMENT INFORMATION: GENERAL INFORMATION, IDENTIFICATION OF SEGMENTS

Umalusi's operations (quality assurance services) are spread across the country. However, these areas of operations are considered a single geographical area for decision making purposes because they (operations) are not diverse enough to warrant disclosure of financial and non-financial information by segment. The services provided by Umalusi are substantially the same or similar.

28. PRIOR-YEAR ADJUSTMENTS

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of Financial Position 31 March 2025

	As previously reported	Correction of error	Re-classification	Restated
Trade and other receivables from exchange transactions	2,719,304	5,657,973	222,100	8,599,377
Other receivables	222,100	-	(222,100)	-
Statutory receivables from exchange transactions	5,551,315	(5,551,315)	-	-
Statutory receivables from non - exchange transactions	-	614,288	-	614,288
Trade and other payables from exchange transactions	13,997,734	-	46,061	14,043,795
Operating lease liability	49,575	(3,514)	(46,061)	-
	22,540,028	717,432	-	23,257,460

Reclassifications and Corrections

- a) **Trade and other receivables from exchange transactions:** The name changed from "receivables from exchange transactions" to "trade and other receivables from exchange transactions". It combined both receivables from exchange transactions and other receivables to improve reporting and avoid presenting immaterial balances in the statement of financial position. The amount of R222 100 was moved to trade and other receivables. In the prior year the certification and quality assurance debtors amounting to R5 551 315 were incorrectly classified as statutory receivables from exchange transactions. The R5 551 315 is reclassified as trade and other receivables, from exchange transaction. This account balance also includes accreditation fees - underpayment of R88 111 and R18 547.
- b) **Other receivables:** The other receivables balance has been moved to trade and other receivables from exchange transactions to improve reporting.
- c) **Statutory receivables from exchange transactions:** The name changed from "statutory receivables from exchange transactions" to "statutory receivables from non-exchange transactions" to improve reporting and ensure compliance with the GRAP standards. In the prior year the amount of R5 551 315 (which comprised the certification and quality assurances debtors) was incorrectly classified as statutory receivables from exchange transactions. The amount was reclassified to trade and other receivables from exchange transactions.
- d) **Statutory receivables from non-exchange transactions:** The statutory receivables from non-exchange transactions were understated by an amount of R614 288 in the previous financial year.
- e) **Trade and other payables from exchange transactions:** The name changed from "payables from exchange transactions" to "trade and other payables from exchange transactions" to improve reporting and avoid presenting immaterial balances in the statement of financial position.
- f) **Operating lease liability:** The operating lease liability balance has been moved to trade and other payables from exchange transactions to improve reporting. The operating lease liability was overstated by R3 514 as a result of using an incorrect rate.

28. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

Statement of Financial Performance 31 March 2025

	As previously reported	Correction of error	Re-classification	Restated
Accreditation fees	7,055,185	-	(1,234,605)	5,820,580
Biennial accreditation fees	-	720,947	1,234,605	1,955,552
Impairment provision	621,469	(597,094)	-	24,375
Other income	6,135,147	-	(1,810,654)	4,324,493
Quality assurance fees	-	-	1,810,654	1,810,654
Bad debts written off	-	597,094	-	597,094
	13,811,801	720,947	-	14,532,748

- a) **Accreditation fees:** These fees included biennial accreditation fees. The biennial accreditation fees are not revenue from exchange transactions. These fees are removed to revenue from non-exchange transactions because Umalusi does not render any service of equal value in exchange for these fees.
- b) **Biennial accreditation fees:** The biennial accreditation fees are not revenue from exchange transactions. These fees amounting to R1 234 605 are removed to revenue from non-exchange transactions because Umalusi does not render any service of equal value in exchanges for these fees. However, in the prior year the biennial accreditation fee were understated by R720 947 because the invoices were not raised.
- c) **Other income:** The amount of R1 810 654 for quality assurance fees has been reclassified from other income and it is now disclosed separately in the face of the statement of financial performance. The quality assurance fees were previously combined with other income because the amount was immaterial. However, given the fact that these fees emanate from services rendered by Umalusi in pursuit of its core mandate, the fees are now presented separately in the statement of financial performance.
- d) **Impairment provision:** The name changed from "provision for doubtful debts" to "impairment provision" to improve reporting and align to the GRAP standards. This balance also included the amount of bad debts written off, which is now removed to its separate account. The amount of R597 094 (bad debts written off) was previously combined with the impairment provision.
- e) **Bad debts written off:** The amount of R597 094 (bad debts written off) was previously combined with the impairment provision.

Revised GRAP 104

Adoption of GRAP 104 Financial Instruments (Revised 2019)

Umalusi adopted the revised GRAP 104 effective from 01 April 2025. Umalusi adjusted the opening balances for accumulated surplus and provision for bad debts.

Transition - classification and measurement

Umalusi applied the classification and measurement requirements retrospectively. Umalusi assessed the objective of its management models for financial assets based on the facts and circumstances that existed on 1 April 2025.

Transition-impairment

Umalusi applied the impairment requirements prospectively and measured impairment losses using expected credit losses (ref. to note 3).

28. PRIOR-YEAR ADJUSTMENTS (CONTINUED)

Impact on measurement categories

Financial Assets	Old measurement	New measurement	Old carry amount	New carry amount
Certification fees	Amortised cost	Amortised cost	315,861	1,376,502
Verification fees	Amortised cost	Amortised cost	2,719,304	3,094,087
Quality Assurance fees	Amortised cost	Amortised cost	5,171,830	5,210,862
Municipal deposit	Amortised cost	Amortised cost	3,450	3,450
Staff debtors	Amortised cost	Amortised cost	183,840	183,840
Financial Liabilities	Old measurement	New measurement	Old carry amount	New carry amount
Trade payables	Amortised cost	Amortised cost	8,662,673	8,662,673
Unknown deposits	Amortised cost	Amortised cost	40,314	40,314
Credit card	Amortised cost	Amortised cost	1,317	1,317
Overpayments for verification and certification fees	Amortised cost	Amortised cost	49,575	49,575

Reconciliation of the carry amounts

Refer to Note 3 and Note 25 for the reconciliation of the above carrying amounts.

29. GOING CONCERN

The audited 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 Umalusi to continue as a going concern is dependent on it receiving a grant from the DBE. As at the time of the preparation of these financial statements, the DBE had committed to funding Umalusi for the period 2026/27 to 2028/29.

30. EVENTS AFTER THE REPORTING DATE

The management has reviewed all events that may affect Umalusi after the reporting period and before the annual financial statements are issued or are available to be issued for authorisation. There were no adjusting events identified subsequent to 31 March 2026.



UMALUSI



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