CELEBRATING

INTEGRATED
ANNUAL REPORT
2015 - 2016

SAQA

"We have inherited from the previous Boards, an organisation that has a reputation for good governance. Throughout its existence, SAQA achieved unqualified audit reports and we expect no less in future."

V TONI PRINSLOO, CHAIRPERSON OF THE 8TH SAQA BOARD

SOUTH AFRICAN QUALIFICATIONS AUTHORITY

ANNUAL INTEGRATED

REPORT: 2015/16

Celebrating

years of implementing the NQF

About SAQA...

The South African Qualifications Authority is a statutory body established under the South African Qualifications Authority Act, No. 58 of 1995 and continues under the National Qualifications Framework Act, No. 67 of 2008. SAQA is a Schedule 3A National Public Entity as defined by the Public Finance Management Act.

About this report...

This Annual Integrated Report is prepared to comply with:

- Section 13 (2) of the NQF Act;
- Section 55 of the PFMA; and
- King III Report on Corporate Governance in South Africa.

The 2015/16 Annual Integrated Report…

Our aim is to provide a balanced and reasonable view of the work of SAQA, so that our stakeholders can make an informed assessment of our performance.

content

PART A: GENERAL INFORMATION 5

1. SAQA'S GENERAL INFORMATION 6
2. LIST OF ABBREVIATIONS AND ACRONYMS 7
3. STRATEGIC OVERVIEW 9
   - 3.1. Vision and Mission 9
   - 3.2. Values 9
   - 3.3. Strategic outcomes orientated goals 10
4. LEGISLATIVE AND OTHER MANDATES 11
   - 4.1. Legislative Mandates 11
   - 4.2. Policy Mandates 13
5. ORGANISATIONAL STRUCTURE 15
   - 5.1. Board structure 15
   - 5.2. Management Structure 15
6. FOREWORD BY THE CHAIRPERSON OF THE SAQA BOARD 17
7. CHIEF EXECUTIVE OFFICER'S REPORT 19

PART B: PERFORMANCE INFORMATION 23

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2016 24
2. PRE-DETERMINED OBJECTIVES 25
3. OVERVIEW OF SAQA'S PERFORMANCE 25
   - 3.1. Service Delivery Environment 25
   - 3.2. Organisational Environment 27
   - 3.3. Key Policy Developments and Legislative Changes 27
4. STRATEGIC OUTCOME ORIENTED GOALS 29
   - 4.1 Leadership 31
   - 4.2 NQF Policy Implementation 38
   - 4.3 Valuing Staff 40
   - 4.4 Public Positioning 42
5. PERFORMANCE INFORMATION BY PROGRAMME 45
6. SUMMARY OF FINANCIAL INFORMATION 103

PART C: GOVERNANCE 106

1. INTRODUCTION 107
2. PORTFOLIO COMMITTEE 107
3. EXECUTIVE AUTHORITY 108
4. THE SAQA BOARD 109
   - 4.1. Introduction 109
   - 4.2. Functions of the SAQA Board 109

4.3 Board Composition 110
4.4 Activities of the SAQA Board and its Committees 110
5 RISK MANAGEMENT 117
5.1 Key Developments in the Year 117
5.2 Risk Management Process 117
5.3 Major Strategic Risks 119
6 INTERNAL AUDIT AND AUDIT COMMITTEES 121
7 COMPLIANCE WITH LAWS AND REGULATIONS 121
8 FRAUD AND CORRUPTION 121
9 MINIMISING CONFLICTS OF INTEREST 121
10 CODE OF CONDUCT 121
11 SUSTAINABILITY REPORT 122
11.1 Economic Viability 122
11.2 Environmental Sustainability 122
11.3 Social and Transformation Matters 124
12 COMMUNICATION WITH STAKEHOLDERS 125

PART D: HUMAN RESOURCE MANAGEMENT 128

1. INTRODUCTION 129
1.1 Overview of Human Resource Matters at SAQA 129
1.2 Human Resource Priorities for the Year under Review 129
1.4 Workforce Planning 129
1.5 Performance Management Framework 130
1.6 Leadership Development 130
1.7 Staff Induction 130
1.8 Internship Programme 30
1.9 Wellness Programme 131
1.10 Investors in People 131
1.11 Future Human Resources Plans 132
2. HUMAN RESOURCES OVERSIGHT STATISTICS 132
2.1. Personnel Costs by Programme 132
2.2. Personnel Costs by Salary Band 133
2.3. Training Costs 133
2.4. Employment and Vacancies 134
2.5. Employment Changes 136
2.6. Reasons for Staff Leaving 136
2.7. Labour Relations: Misconduct and Disciplinary Action 136
2.8. Equity Targets and Employment Equity Information 137

PART E: FINANCIAL INFORMATION 138

1. STATEMENT OF RESPONSIBILITY 139
2. AUDIT AND RISK COMMITTEE REPORT 140
3. AUDITOR GENERAL REPORT 143
4. ANNUAL FINANCIAL STATEMENTS 146

YEARS

part a

general information

general information

1. SAQA'S GENERAL INFORMATION

REGISTERED NAME:	South African Qualifications Authority (SAQA)
PHYSICAL ADDRESS:	SAQA House 1067 Arcadia Street Hatfield Pretoria 0083
POSTAL ADDRESS:	PostNet Suite 248 Private Bag X06 Waterkloof Pretoria 0145
TELEPHONE NUMBER/S:	+27 12 431 5000
FAX NUMBER:	+27 12 431 5147
EMAIL ADDRESS:	saqainfo@saqa.org.za
WEBSITE ADDRESS:	www.saqa.org.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	Standard Bank, Pretoria

2. LIST OF ABBREVIATIONS AND ACRONYMS

ABBREVIATION / ACRONYM	EXPLANATION
AIM	African Institute of Mentoring
APP	Annual Performance Plan
AQVN	African Qualifications Verification Network
BBBEE	Broad-Based Black Economic Empowerment
CAT	Credit Accumulation and Transfer
CEO	Chief Executive Officer
CHE	Council on Higher Education
CHIETA	Chemical Industries Education and Training Authority
COIDA	Compensation for Occupational Injuries and Diseases Act
CPD	Continuing Professional Development
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
DFQEAS	Directorate Foreign Qualifications Evaluation and Advisory Service
DPSA	Department of Public Service and Administration
ECM	Enterprise Content Management
ETDP SETA	Education, Training and Development Practices Sector Education and Training Authority
EWSETA	Energy and Water Sector Education and Training Authority
FPI	Financial Planning Institute
GCIS	Government Communication and Information Services
GBCSA	Green Building Council of South Africa
HEMIS	Higher Education Management Information System
ICS	Integrated Communication Strategy
ICT	Information and Communications Technology
KMS	Knowledge Management System
MINISTER: HET	Minister: Higher Education and Training
NLRD	National Learners' Records Database
NQF	National Qualifications Framework
NQF Act	National Qualifications Framework Act, No. 67 of 2008
OQSF	Occupational Qualifications Sub-framework
ORCA	Outsourced Risk and Compliance Assessment
PDMS	Performance and Development Management System
PDP	Personal Development Plan

ABBREVIATION / ACRONYM	EXPLANATION
PFMA	Public Finance Management Act, No. 1 of 2009
QC	Quality Council
QCTO	Quality Council for Trades and Occupations
Q&S	Qualifications & Standards
REMCO	Remuneration Committee
RPL	Recognition of Prior Learning
SAICA	South African Institute of Chartered Accountants
SANC	South African Nursing Council
SAQA	South African Qualifications Authority
SAQA Act	South African Qualifications Authority Act, No. 58 of 1995
SETA	Sector Education and Training Authority
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UWC	University of the Western Cape
W&R SETA	Wholesale and Retail Sector Education and Training Authority
WSP	Workplace Skills Plan
WP PSET	White Paper for Post-School Education and Training

3. STRATEGIC OVERVIEW

3.1 Vision and Mission

Figure 1: Vision and mission

3.2. Values

Figure 2: SAQA Values

3.3. Strategic outcomes orientated goals

SAQA, in advancing the NQF:

- Embraces social justice, environmental sustainability and diversity;
- Ensures overall effectiveness to the advantage of lifelong learners, especially those in poor and rural areas; and
- Aligns with government policies, such as the National Development Plan (NDP), and the White Paper for Post-School Education and Training (WP PSET).

SAQA recognises the NQF as a framework for communication, collaboration and co-ordination across education, training, development and work that support:

- Articulation;
- Simplification of the NQF;
- Recognition of Prior Learning (RPL); and
- The NQF Advisory Service.

SAQA is the oversight body of the NQF and the custodian of its values. To ***serve lifelong learners boldly,*** *SAQA will*:

- Provide decisive and coherent leadership and co-ordination;
- Facilitate and support the implementation of NQF policies in a coherent and integrated manner across education, training, development and work;
- Be visible through advocacy and communications; and
- Grow and value staff to achieve the organisation's objectives.

SAQA set the following goals for the 2015/16 financial year:

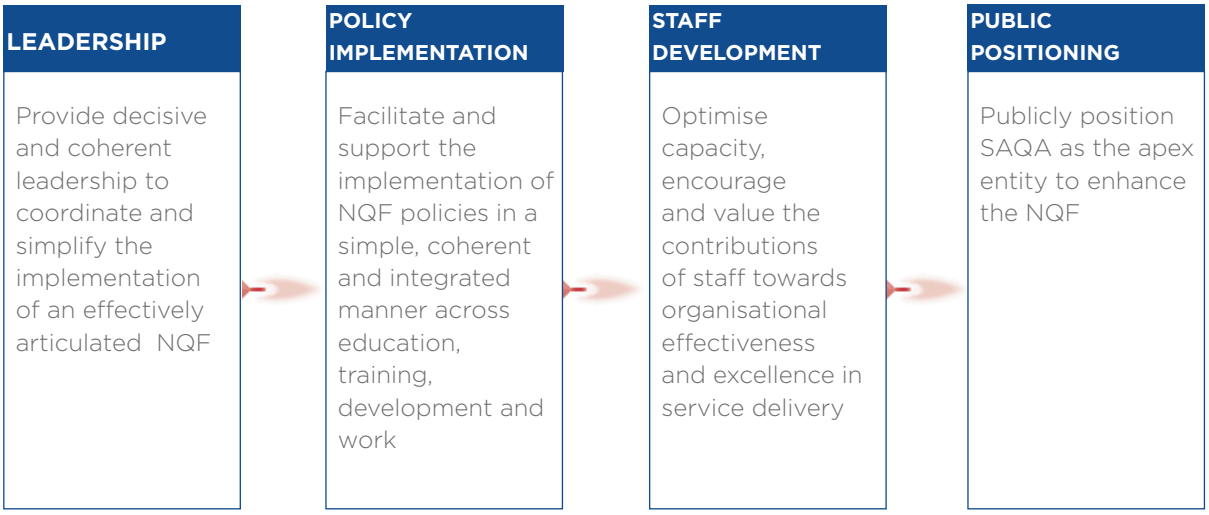


Figure 3: Strategic Goals

4. LEGISLATIVE AND OTHER MANDATES

4.1 Legislative Mandates

SAQA is a statutory body established in terms of the South African Qualifications Act, No. 58 of 1995. It continues to exist under the National Qualifications Framework Act, No. 67 of 2008.

The Constitution of the Republic of South Africa Act, No. 108 of 1996

Section 29 of the Constitution of the Republic of South Africa Act, No. 108 of 1996 provides for education:

1. Everyone has the right:
   a. To a basic education, including adult basic education; and
   b. To further education, which the state, through reasonable measures, must make progressively available and accessible.

2. Everyone has the right to receive education in the official language or languages of their choice in public education institutions where that education is reasonably practicable.

   In order to ensure the effective access to, and implementation of, this right, the state must consider all reasonable education alternatives, including single medium institutions, taking into account:
   a. Equity;
   b. Practicability; and
   c. The need to redress the results of past racially discriminatory laws and practices.

3. Everyone has the right to establish and maintain, at their own expense, independent education institutions that:
   a. Do not discriminate on the basis of race;
   b. Are registered with the state; and
   c. Maintain standards that are not inferior to standards at comparable public education institutions.

Figure 4: Section 29 of the SA Constitution

The National Qualifications Framework Act, No. 67 of 2008

The NQF Act positions SAQA as the oversight body of the NQF and the custodian of its values. SAQA therefore coordinates the work of the Quality Councils (QCs) and other NQF partners. This enables SAQA to engage with high-level strategic issues that enhance the coherent implementation of the NQF.

In keeping with the Bill of Rights, the NQF Act includes the following provisions:

The objectives of the NQF are to:	These objectives are designed to contribute to:
▪ Create a single integrated national framework for learning achievements; ▪ Facilitate access to, and mobility and progression within, education, training and career paths; ▪ Enhance the quality of education and training; and ▪ Accelerate the redress of past unfair discrimination in education, training and employment opportunities.	▪ The full personal development of each learner; and ▪ The social and economic development of the nation at large.

Figure 5: Objectives of the NQF

SAQA and the Quality Councils must seek to achieve the objectives of the NQF by:

(a) Developing, fostering and maintaining an integrated and transparent national framework for the recognition of learning achievements;

(b) Ensuring that South African qualifications meet appropriate criteria, determined by the Minister as contemplated in section 8, and are internationally comparable; and

(c) Ensuring that South African qualifications are of an acceptable quality.

The functions of SAQA are set out in sections 5(3) and 13 of the NQF Act, which became effective on 1 June 2009. In summary, SAQA must:

	Provide advice, oversee NQF implementation and collaborate with the QCs
	Develop NQF policies and criteria
	Maintain a National Learners' Records Database (NLRD), and provide an evaluation and advisory service with respect to foreign qualifications
	Undertake research, collaborate with international counterparts, and drive the communication and advocacy strategy to promote understanding of the NQF architecture
	Perform any function consistent with the NQF Act that the Minister: HET may determine

Figure 6: Functions of SAQA

The Public Finance Management Act (PFMA), No. 1 of 1999, Treasury Regulations (2005), and the Framework for Strategic Plans and Annual Performance Plans (2010)

In terms of the PFMA, SAQA is a Schedule 3A National Public Entity. SAQA therefore complies with the PFMA, applicable Treasury Regulations, and the provisions of the Framework for Strategic Plans and Annual Performance Plans.

4.2 Policy Mandates

SAQA's work is informed and guided by the following policies:

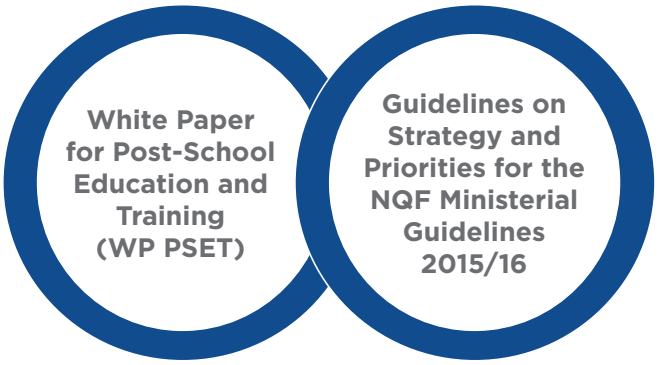


Figure 7: Policy Mandates

- The 2015/16 Ministerial Guideline to Address Priorities for the NQF was published on 15 May 2015 and was therefore too late for any budget allocation. This Guideline took into account the requirements of the White Paper for Post-School Education and Training (WP PSET) in setting out its work-plan. There were two core foci for this period:
  - i. The further development and implementation of the NQF; and
  - ii. Submission of concrete strategies and initial implementation of the policy intentions envisaged in the WP PSET.

This Guideline prioritised implementation across the education and training system, especially in key areas where there were perceived gaps in the quality assurance regime in South Africa. The Guideline also acknowledged that there were budget implications for SAQA and the QCs.

SAQA was requested to focus on the following areas:

- Simplify the NQF;
- Recognise programmes based on unit standards on the NQF;
- Implement and monitor implementation of an articulation framework;
- Provide ongoing support to the Quality Council for Trades and Occupations (QCTO) to build its capacity to become fully operational in terms of its quality assurance role;
- Provide a quality assurance regime for qualifications and part-qualifications at levels 5 and 6 of the NQF;
- Promote articulation and quality assurance;

- Develop a national strategy for Recognition of Prior Learning (RPL) to ensure that RPL is embedded within the education and training system;
- Provide support and guidance to institutions to incrementally incorporate RPL, Credit Accumulation and Transfer (CAT) and articulation into their academic planning;
- Capture all learner achievements (pre- and post-1994) on the NLRD, in collaboration with the QCs;
- Develop a strategy, in collaboration with the QCs, to further develop the verification and recording of learner achievements;
- Prepare and submit an NLRD progress report to the Minister;
- Report on the Register of Misrepresented Qualifications and Institutions not recognised by the South African NQF; and
- Set up a fraud unit to focus on misrepresented qualifications.

In line with provisions of the WP PSET, SAQA additionally focused on:

- Simplifying NQF through:
  - Reducing duplication and deregistering unused qualifications and part-qualifications;
- Promoting articulation through:
  - Implementing and monitoring the implementation of the Articulation Action Plan;
  - Sharing the findings of articulation research conducted by SAQA and its university partners;
  - Quality assurance, and by ensuring that the NQF policies on CAT, Assessment and RPL were implemented; and
  - Sharing knowledge gained on flexible teaching and learning through collaborative research with the University of the Western Cape.

The NQF Implementation Framework 2010/11–2014/15 provided focus areas for the further development and implementation of the NQF. SAQA had fulfilled all its obligations in terms of this Framework. The new NQF Implementation Framework 2015/16–2019/20 was developed and approved during the course of the year and will be implemented in the next financial year.

The following national policy documents are relevant to the work of SAQA:

- National Development Plan 2030;
- Strategic Integrated Projects;
- Human Resource Development Strategy for South Africa (2010–2030);
- National Integrated Human Resources Development Plan (2014–2018);
- National Skills Development Strategy III and the Declaration signed at the Skills Summit; and
- Higher Education Amendment Bill.

5. ORGANISATIONAL STRUCTURE

5.1 Board structure

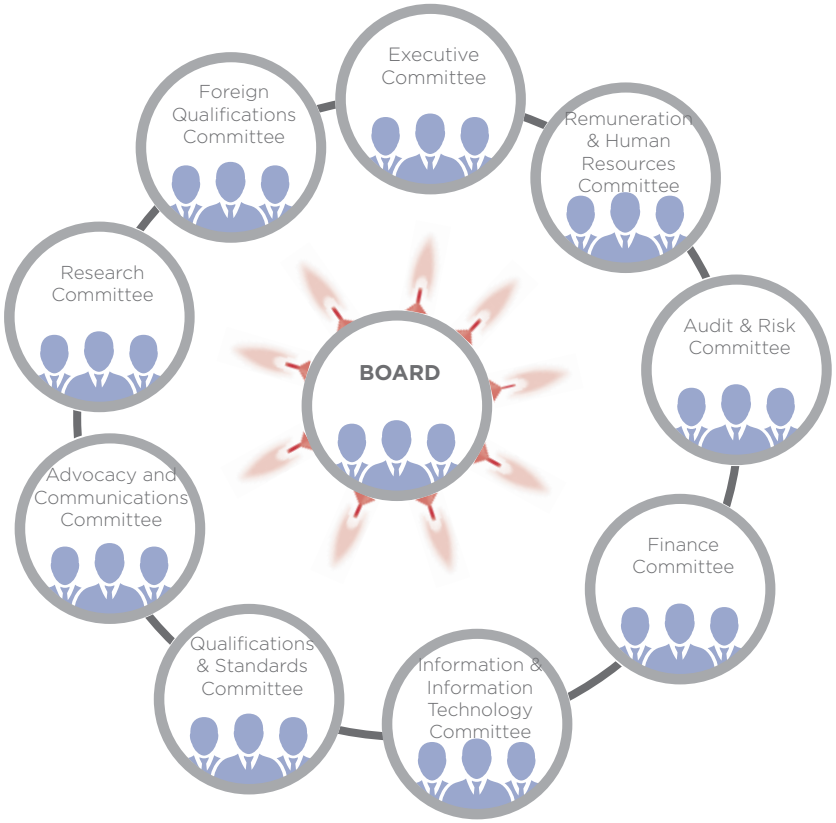


Figure 8: Board and Committees

5.2 Management Structure

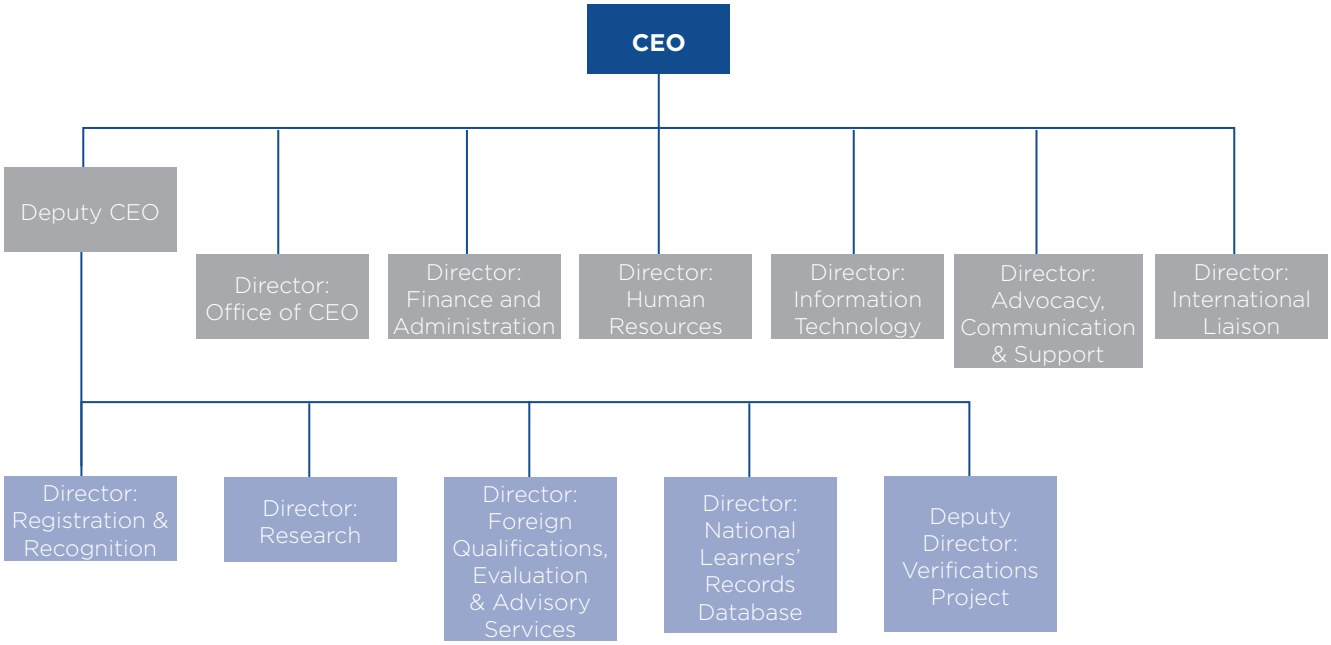


Figure 9: Management Structure

Mr Joe Samuels
CEO

Dr Julie Reddy
Deputy CEO

Ms Nireen Naidoo
Director: Office of the CEO

Mr Mark Albertyn
Director: Finance and Administration

Dr Jody Cedras
Director: Registration and Recognition

Mr Victor Booysen
Director: Human Resources

Mr Claude Baxter
Director: Information Technology

Ms Yvonne Shapiro
Director: National Learners' Record Database

Ms Nadina Coetzee
Director: Foreign Qualifications Evaluation and Advisory Services

Ms Ntsiki Gumbi
Director: Advocacy, Communication and Support

Dr Heidi Bolton
Director: Research

Dr Sazi Kunene
Director: International Liaison

Mr Dirk Strydom
Deputy Director: Verifications Project

Figure 10: SAQA's Senior Management Team

6. FOREWORD BY THE CHAIRPERSON OF THE SAQA BOARD

I am proud to have been appointed as the Chairperson of the 6th SAQA Board. It is fortunate that I was the Deputy Chairperson of the previous Board and I can therefore confidently take over from where the previous Board concluded its work. It is also special to be taking over the helm in SAQA's 20th year of existence.

The Minister has appointed individuals of high calibre to the 6th SAQA Board. We have a balance of academics and representatives of policy implementers and beneficiaries, which provides the platform for rich debate and discussions. I also congratulate Professor Sarah Howie on her election by the Board as the Deputy Chairperson.

The Board met on 10 and 11 March 2016 for its induction. A Handover Report from the 5th Board was formally presented to me by the previous Chairperson, Mr Njeke, at a function held on the evening of 10 March. The first Board meeting took place on 11 March 2016. The first order of business was to appoint members to each of the Committees that serve the Board.

The term of office of the 5th Board ended in December 2015 and the new Board was appointed in the last week of February 2016. Despite the gap in leadership, SAQA continued to deliver on its mandate under the guidance of the Acting Accounting Authority. The Chief Executive Officer (CEO) was appointed as the Acting Accounting Authority in accordance with section 29(2) (b) of the PFMA. Decisions taken by him were ratified by the Board at its meeting on 11 March 2016.

We have inherited from the previous Boards, an organisation that has a reputation for good governance. Throughout its existence, SAQA achieved unqualified audit reports and we expect no less in future.

In its Handover Report, the 5th Board reported that they functioned very well, focused on governance matters and left the management of the organisation to the CEO and his staff. The Board and Committee meetings were well-attended. In fact, the Board meetings throughout its tenure have been quorate and almost all of its Committees had functioned well.

A highlight was SAQA's achievement of Bronze status in meeting the Investors in People International Standard. This was an improvement from its previous assessment of having met the minimum requirements for being recognised as an Investor in People organisation.

Another achievement was the acknowledgement received from the

Green Building Council for SAQA's contribution to greening the environment through implementing environmentally friendly practices. More information on this initiative can be found in the Sustainability Report in this publication.

On the policy front, the Board has overseen and approved the Policy and Criteria for the Evaluation of Foreign Qualifications in the SA NQF, the Foreign Qualifications Revocation Policy, the Appeals Policy for Professional Bodies, the Revised Appeals Policy for the Evaluation of Foreign Qualifications and the Appeals Policy for the Verification of South African National Qualifications. This completes the full suite of NQF policies. While policy implementation is firmly in focus, revisions to existing NQF policies will continue as gaps are identified.

In general, the 5th SAQA Board maintained very good relationships with the Parliamentary Portfolio Committee on Higher Education and Training, having engaged with them once every 6 months. Whilst I hope to continue to build on this good relationship, it is also the 6th Boards' intention to foster a better relationship with the Minister: HET.

In the broader context, the White Paper for Post-School Education and Training (WP PSET) highlights some of the challenges faced by the NQF and provides a framework for addressing the issues. The 6th Board will continue to encourage and support the implementation of the WP PSET, whilst acknowledging that the country as a whole is faced with funding constraints to optimise the implementation of the WP PSET.

An evaluation of the NQF Act has commenced and the 6th Board will monitor developments closely in this regard.

The current Board will also deliberate on the draft NQF Amendment Bill because it has noted that the proposed amendments will have a significant impact on SAQA and its work. We will watch this space in anticipation of the NQF Amendment Bill being published.

The Minister: Higher Education and Training (HET) also recently published the RPL Coordinating Policy. This Policy overarches SAQA and the QC's RPL Policies. SAQA will need to re-visit its RPL Policy to ensure that it is aligned to the Minister's Policy.

The draft Articulation Policy was also recently published for public comment. This long-awaited Policy will assist the sector to focus on matters around articulation and drive home the notion of lifelong learning.

I take this opportunity to sincerely thank the previous SAQA Board for their outstanding leadership. There is much to be done, but we are fortunate to have been given a solid foundation to further build on. I also thank the CEO, Deputy CEO and SAQA staff for their continued commitment, diligence and professionalism. I look forward to the next five years with great enthusiasm.

V TONI PENXA
CHAIRPERSON OF THE 6TH SAQA BOARD

7. CHIEF EXECUTIVE OFFICER'S REPORT

From Policy Development to Policy Implementation

SAQA's move from Policy Development to Policy Implementation was completed with the finalisation and approval of our *Policy and Criteria for Evaluating Foreign Qualifications within the South African NQF.* This policy spells out the criteria that are followed when evaluating foreign qualifications. We also revised and published the *Foreign Qualifications Appeals Policy* which stipulates the process to be followed if an applicant does not agree with the outcome of their foreign qualification evaluation.

In this financial year alone, **23 622** foreign qualifications were recognised and SAQA Certificates of Evaluation were issued. SAQA has the right to revoke a SAQA Certificate of Evaluation if new information obtained suggests that a qualification is fraudulent and should not have been recognised. The *Foreign Qualifications Revocation Policy* was published in December 2015. Work has also started to ensure that the policies integrate seamlessly and strengthen implementation.

Much of the implementation function involves coordinating the work of SAQA and the Quality Councils (QCs) towards adopting a common approach and a clear roadmap for implementation of the NQF. SAQA, the QCs, the Department of Higher Education and Training and the Department of Basic Education meet quarterly as the CEO Committee to monitor progress with implementation of the NQF and discuss matters of mutual interest. During the course of this year, we developed and approved the NQF Implementation Plan for 2015-2020.

We launched the NQF Advisory Service at the beginning of the financial year to enhance implementation of the NQF. SAQA is committed to helping learners to understand the NQF as they plan their learning pathways. While the NQF Advisory Service responds to learner queries, we have also taken a proactive approach to promoting the NQF and SAQA through social media platforms. There was a steady increase in the use of SAQA digital media platforms in response to posts of relevant articles, images and messages on the NQF and SAQA services. We made use of the SAQA Website, Facebook, Twitter, LinkedIn, and Google+. SAQA recorded **607 802** users of its social media platforms and **3 093 573** digital impressions were created by users of our platforms in this financial year.

Another new function crucial for implementation of the NQF has been the recognition of professional bodies and the registration of professional designations. Professional bodies may apply to SAQA to be recognised and to have their professional designations registered.

SAQA has partnered with the Financial Planning Institute (FPI) during the year to conduct research on Continuing Professional Development (CPD), which is an important element of the criteria for recognition. For the year, **13** new professional bodies were recognised and **36** professional designations registered. Overall there are **85** recognised professional bodies and **294** registered professional designations.

We realised the importance of technology in speeding up service delivery in the work that we do. To assist us internally, we developed an Integrated Knowledge Management System. This system, once implemented, will revolutionise how we store and retrieve information internally. It will allow for better version control of documents and for updated information to be accessible throughout the organisation.

As a creator of new information, we produced two publications on the NQF Impact Study 2014 and we held a workshop with stakeholders to discuss these reports. Our work in this area is important as it provides a better understanding of how the NQF changes the lives of ordinary South Africans.

We also completed a concept paper on the role of SAQA in the ombuds function. This document will be discussed further with stakeholders in the next financial year.

Verification of National Qualifications and Combating Qualification Misrepresentation

South Africa has witnessed an increase in the number of misrepresented and fraudulent qualifications, particularly of public figures. To this end the Minister of Higher Education and Training (HET), Minister Nzimande, requested SAQA to establish a register of misrepresented and fraudulent qualifications to combat this trend. He also requested the strengthening of the policy and legislative environment. Under the leadership of the CEO Committee, which is chaired by the CEO of SAQA, a task team was established to develop a *Draft Policy on Misrepresented Qualifications*. This policy will make provision for the creation and publication of the *Register of Misrepresented Qualifications* and the *Register of Fraudulent Qualifications*. The draft policy was handed over to the Minister: HET for his consideration and further action. Bi-monthly reports are handed to the Minister on the number of qualifications that have been misrepresented.

SAQA performs the function of verifying national qualifications in the public service through a directive issued by the Department of Public Service and Administration. **72 543** National qualifications were verified during the year. We developed and published the *Appeals Policy for the Verification of South African Qualifications* to allow individuals to appeal the outcome of the verification of their qualifications.

Registration of Quality Qualifications meeting International Standards

One of the main reasons why SAQA is able to perform the verification of national qualifications is due to it housing a national asset in the form of the National Learners' Records Database (NLRD). Records for **16 819 020** learners can be found on the NLRD. Over one million of these records were added in this financial year alone. The NLRD also holds records of **13 411 070** qualification achievements, **28 969** of these were achieved through the Recognition of Prior Learning.

Qualifications registered by the SAQA Board are recorded on the NLRD. Registered qualifications are recommended for registration to SAQA by the QCs. SAQA uses the *Policy and Criteria for the Recognition of Qualifications and Part-Qualifications* to assess these recommendations. We ensure that the qualifications meet the requirements spelt out in the Policy, including the requirements for international comparability. For the year, **216** qualifications were approved by the SAQA Board for registration.

Model Statutory Body

SAQA has always been a model statutory body with the highest standards of governance and compliance. For example, once again SAQA received an unqualified audit for the previous financial year. It is SAQA's 19th consecutive unqualified audit since inception. During the period before the appointment of the 6th SAQA Board, the CEO functioned as the Accounting Authority and ensured that the organisation operated in an effective and efficient manner.

SAQA takes staff development seriously and sees this as a strategic function, given the history of under-development during apartheid. We were also proud of our achievement of attaining Bronze status according to the Investors in People International Standard. This was an improvement from our previous assessment of having met the minimum requirements for being recognised as an Investor in People organisation. SAQA staff underwent an intense leadership development programme that focused on enhancing the leadership and coaching skills of managers. One of the outcomes of the programme was the adoption of our Critical Success Leadership Behaviours which encourages SAQA leaders to have clear vision with focused action and to be values-driven leaders who serve and inspire. Managers were also expected to produce an Action Learning Project to demonstrate their newly acquired skills.

SAQA's 20-year anniversary and its International footprint

The build-up to our 20th anniversary saw SAQA win the bid to host the Groningen Declaration Network (GDN) Annual meeting and the Director of the National Learners' Records Database was appointed to the Executive Committee of the GDN. Our work in building relationships with agencies involved with verifying qualifications on the African continent, led to preparation to launch the African Qualifications Verification Network (AQVN). The AQVN will focus on growing a network of verification practitioners and speed up verification processes. This network will also work towards digitising learner records in an attempt to promote learner mobility and lifelong learning in Africa.

Our work on the international stage has continued. We provided input into agreements with China and Cuba on the mutual recognition of qualifications. The CEO served as an expert on the formulation of a Global Convention for Higher Education Qualifications driven by UNESCO. Our Director of International Liaison is a member of UNESCO's Expert Group on World Reference Levels. We also completed and submitted a research report on *Trends related to National Standards for Teachers and School Leaders* to the Commonwealth Secretariat.

It has been a very productive year for SAQA. As we enter our 20th year of existence, there are many exciting events planned that will take SAQA to a new level and place it firmly on the global stage. I thank the 5th SAQA Board for its leadership and guidance over the last years and welcome the 6th Board. I look forward to continuing our work under its strong leadership. My sincere gratitude goes out to all SAQA staff without whom we could not have achieved all that we have over the year.

J S SAMUELS
CHIEF EXECUTIVE OFFICER: SAQA

Last meeting of the 5th SAQA Board

First meeting of the 6th SAQA Board

YEARS

part b

performance information

performance information

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2016

The CEO is responsible for the preparation of the public entity's performance information and for the judgments made in this information.

The CEO is responsible for establishing and implementing an internal control system designed to provide reasonable assurance of the integrity and reliability of the performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the Strategic and Annual Performance Plan of the public entity for the financial year ended 31 March 2016.

SAQA's performance information for the year ended 31 March 2016 has been examined by the external auditors and their report is presented on page 143.

The performance information of the entity as set out from page 45 to page 102 was approved by the SAQA Board.

J S SAMUELS
CHIEF EXECUTIVE OFFICER

V TONI PENXA
CHAIRPERSON

2. PRE-DETERMINED OBJECTIVES

The Auditor-General performs the necessary audit procedures on the performance information presented in the annual performance report. The Auditor-General evaluated the usefulness and reliability of the reported performance information to determine if it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. Futhermore, the Auditor-General performed tests to determine if the indicators and targets were well defined, verifiable, specific, measurable, time-bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

The audit findings on the performance against predetermined objectives is included under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the Auditor-General's report.

3. OVERVIEW OF SAQA'S PERFORMANCE

3.1 Service Delivery Environment

The education and training environment faced many challenges in the last year. The #feesmustfall campaign dominated discussions and played out since the Education Summit in October 2015. As a result of the decision taken by the President to maintain the fee structure of 2015 in 2016, government departments and entities had to tighten our budgets and prepare for further budget cuts to support the universities.

A campaign to stop the use of employment brokers and move towards in-sourcing currently outsourced functions is another issue that this sector continues to face. Morally, the argument to in-source is justified. Nevertheless, the impact of this decision has far-reaching consequences for a small entity like SAQA that receives less than 50% of its budget from the state coffers.

The spate of electricity cuts early in the financial year left SAQA vulnerable and unable to serve the public appropriately. The possibility of using alternate sources of energy and moving SAQA off the power grid were investigated. In the short term, there was little that could be done as the cost of purchasing and maintaining a generator was beyond our reach.

Recent xenophobic attacks that plagued our nation, resulted in a decrease in the number of applications received from applicants who wanted their foreign qualifications evaluated. This drop in demand has negatively impacted our revenue stream. Measures were taken to ensure that our clients who personally visited us, felt safe. An online application system was also introduced during the year, so as to minimise the need for clients to seek service in person.

In our endeavour to promote greater understanding of the NQF, we needed to better understand where our key stakeholders (policy makers, policy implementers and policy beneficiaries) sourced their information from, and through what channel they preferred to receive information. Electronic communication is a popular choice among policy makers and implementers.

Figure 11: Overall achievements for the 2015/16 financial year

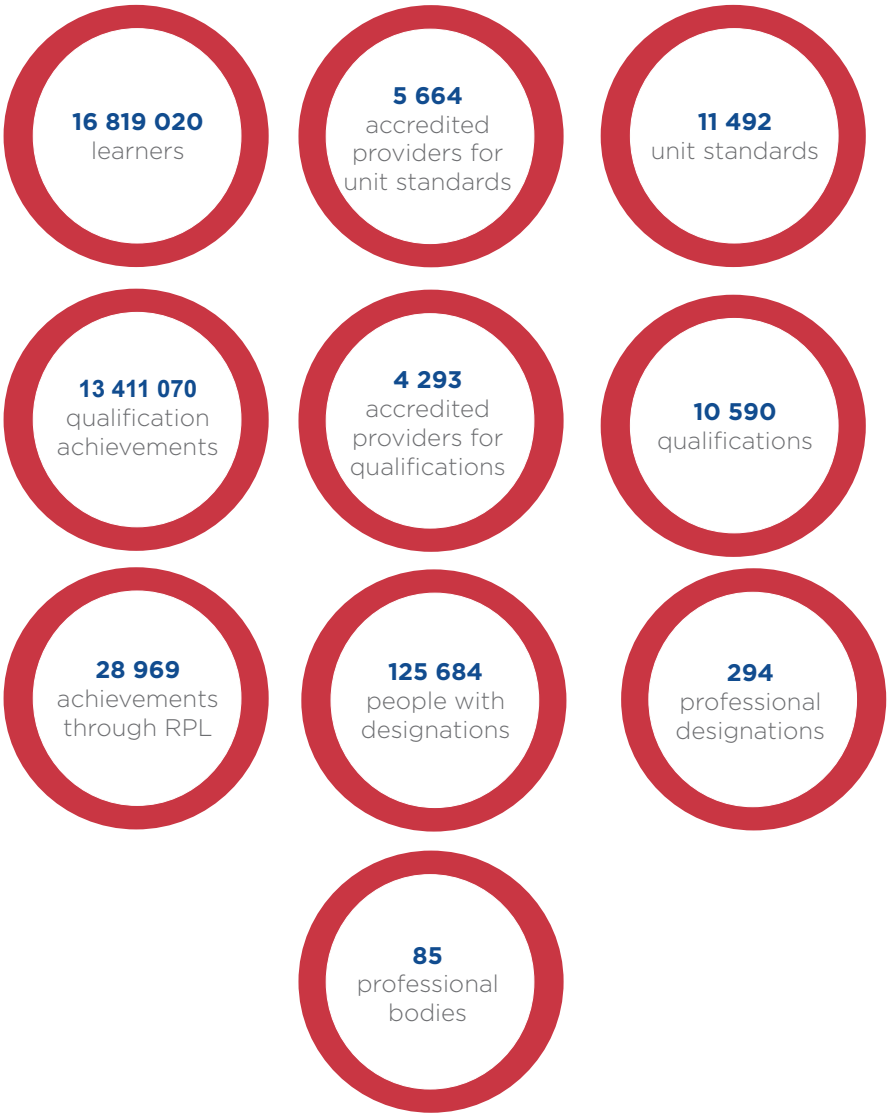


Figure 12: A snapshot of NQF activity recorded on the NLRD as at 31 March 2016

3.2 Organisational Environment

The term of office of the 5th SAQA Board ended on 31 December 2015. Ideally, the new 6th Board should have been appointed on 1 January 2016 to facilitate a proper handover from the old to the new Board. The Minister: HET appointed the 6th Board towards the end of February 2016. This disruption in leadership had to be managed very carefully so that it did not negatively impact on the work of SAQA. In the interim, the CEO took on the role of Acting Accounting Authority in accordance with the provisions of section 29(2) (b) of the PFMA. All decisions taken by the Acting Accounting Authority were later ratified by the 6th Board.

Approximately half of SAQA's budget came from government coffers. The balance was raised through fees charged for services rendered. In particular, the evaluation of foreign qualifications and verification of national qualifications provide most of the balance of funds. Despite introducing a fee structure based on cost recovery plus five percent profit, only a proportion of the income generated through the Foreign Qualifications Evaluation and Advisory Service could be recognised in this financial year. The reason for this outcome was that income could only be recognised after completion of the evaluation process. Since the introduction of more stringent verification processes, the entire evaluation process takes much longer owing to a reliance on external information partners, and therefore delayed SAQA from recognising fees received in advance as income.

SAQA's budget did not allow for additional activities other than for what it currently did. SAQA could only take on new projects if additional money was raised. Funding was sought for the digitisation of pre-1992 Senior Certificate records and for teacher records. Digitisation of these records would go a long way towards completing the dataset of learner achievements currently recorded on the National Learners' Records Database. It was estimated that about R40 million would be needed to digitise all learner records that are currently paper-based. A funding proposal was submitted to Tirelo Bosha, through the Department of Public Service and Administration (DPSA). The proposal included part-funding for the digitisation of Senior Certificates and complete funding for the digitisation of teacher qualifications. SAQA was granted R2 million towards the digitisation of the Senior Certificate records and R611 000 for digitising teacher records. SAQA also set aside R1 million of its own money to kick-start the project.

Two further funding proposals were submitted to the European Union via DHET. The first proposal for R23 839 000 was to implement the counter-fraud strategy. A second proposal for R26 490 000 over three years was for the further digitisation of learner records. SAQA eagerly awaits the outcome of these proposals.

3.3 Key Policy Developments and Legislative Changes

No revisions and alterations of SAQA's mandate took place in the 2015/16 reporting period.

Towards the end of the last financial year, the Minister: HET requested SAQA to develop a Register of Fraudulent Qualifications that he could publish. Current legislation did not allow for the realisation of this request. After much groundwork and consultation, the CEO Committee tasked SAQA to drive the development of a Policy on Misrepresented Qualifications. This policy was drafted, and after consultation with DHET, the DBE and the QCs, the draft policy was handed over to the Minister: HET to take further. The important outcome of this policy was the need to amend the NQF Act to accommodate the creation of the Register of Misrepresented Qualifications and the roles played by SAQA and the QCs in this regard. These amendments are still in draft format.

4. STRATEGIC OUTCOME ORIENTED GOALS

SAQA, in advancing the objectives of the NQF:

Embraces social justice, environmental sustainability and diversity

Ensures overall effectiveness to the advantage of lifelong learners, especially those in poor and rural areas

Aligns with government policies, such as the National Development Plan, Human Resources Development Strategy, National Skills Development Strategy, Strategic Integrated Projects and the White Paper.

SAQA is the oversight body of the NQF and the custodian of its values. To serve lifelong learners boldly, SAQA will:

Provide decisive and coherent leadership and co-ordination

Facilitate and support the implementation of NQF policies in a coherent and integrated manner across education, training, development and work

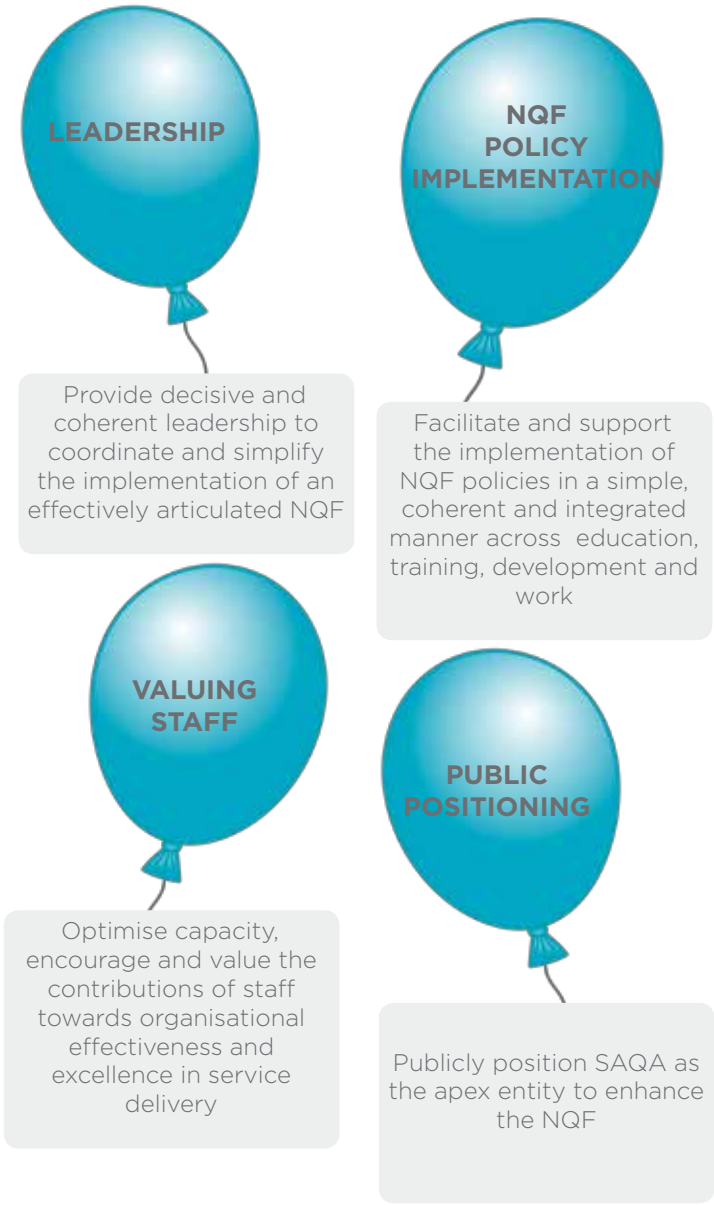
Be visible through advocacy and communications through growing and valuing staff to achieve the organisation's objectives

Figure 13: Strategic Goals

The focus areas were:

Figure 14: Focus Areas

SAQA worked towards achieving 4 strategic goals:



4.1 Leadership

Provide decisive and coherent leadership to coordinate and simplify the implementation of an effectively articulated NQF

Achievements

creating knowledge

- Developed concept paper on SAQA's role in ombud function
- Shared research findings on flexible teaching and learning , articulation pathways and the NQF Impact Study 2014 with stakeholders at 3 workshops

Qualifications and professional bodies

- Verified **72 543** national qualifications and recognised **23 622** foreign qualifications
- Confirmed **94** national and **111** foreign qualification misrepresentations
- Captured **1 078 302** learners and **856 702** qualification achievements on the NLRD
- Registered **216** qualifications
- Recognised **13** professional bodies and registered **36** professional designations

Policies and Guidelines

- Published Policy and Criteria for Evaluating Foreign Qualifications within the SA NQF
- Published Appeals Policy for the Verification of South African Qualifications , Foreign Qualifications Appeals Policy and Professional Bodies Appeals Policy
- Published Foreign Qualifications Revocation Policy
- Produced Draft Policy on Misrepresented Qualifications
- Commented on DHET's Draft RPL Policy, Ministerial Guidelines 2015/16 and Draft Ministerial Guidelines 2016/17
- Led task team to replace Joint Communiqué 1 of 2012, Interim Guidelines on the Registration and Accreditation of Private Providers Offering Qualifications and Part-Qualifications in the Trade and Occupational Sector

Funding

- Secured funding from Tirelo Bosha to digitise pre-1992 Senior Certificates and teacher qualifications

Figure 15: Achievements under leadership goal

Achievement of Objectives under Leadership Goal

Objective	Achievement
Promote a culture of articulation within the NQF system, and where necessary mediate on behalf of learners where articulation matters are concerned	Discussions about articulation took place at the CEO Committee meetings. SAQA produced a report on its contribution to the Articulation Action Plan. SAQA responds to requests from the public daily through its multi-channel NQF Advisory Service with regards to difficulties that are encountered with articulation issues. SAQA produced a concept paper on the purpose, role and function of an ombuds in the sector. Stakeholders will be consulted further in the next financial year. SAQA is of the view that an ombuds will create a platform for effectively dealing with systemic barriers to articulation. A one-day research workshop to *Enhance Articulation in Education and Training* was hosted by SAQA on 29 September and attended by 60 stakeholders. It was an opportunity to showcase the research completed through SAQA's long-term partnerships with the University of the Western Cape (UWC), Rhodes University and the University of KwaZulu-Natal and to discuss the scope of a new research partnership with the Durban University of Technology (DUT). The research partnership with UWC yielded ground-breaking research findings insofar as flexible teaching and learning was concerned. A poster on flexible learning and teaching was produced. SAQA hosted a workshop on 9 November 2015 for 70 stakeholders, during which this poster was presented and discussed.
Work with NQF partners to address articulation matters within the NQF system	SAQA signed a contract with the DUT to partner on research focused on college-university articulation pathways. SAQA is in discussions with the Quality Councils, DHET and the DBE with respect to the articulation of several qualifications. These discussions focused on NQF levels 4 and 5 qualifications across the different sub-frameworks. There are ongoing discussions with the DBE about their intention to register the General Education Certificate (GEC) in the context of a three-stream model (academic, vocational and technical) that the DBE have proposed.

Stakeholders at the Research workshop on Flexible teaching and learning

Objective	Achievement
Work with NQF partners to simplify the NQF system	During its Strategic Planning session, the SAQA Board supported SAQA's understanding of Simplification. It was agreed that simplifying the NQF meant: ▪ Clarifying and communicating concepts in understandable and appropriate language to policy makers, policy implementers and policy beneficiaries; ▪ Examining all policies and processes related to registration, recognition, accreditation, evaluation and recording to ensure that all unnecessary red-tape is eliminated; ▪ Diligently preventing duplication and proliferation of qualifications and part-qualifications ; ▪ Correctly allocating all qualifications and part-qualifications to the appropriate sub-frameworks; and ▪ Identifying systemic gaps and ensuring that these gaps are appropriately addressed. An Action Plan will be developed and implemented in the next financial year to address the issue of Simplification of the NQF. The SAQA Board approved, with some exclusions, the re-registration of qualifications that were due to expire, for the period 1 July 2015 to 30 June 2018. The exceptions that would not be re-registered were: ▪ Qualifications that were reviewed and replaced by new qualifications; ▪ Qualifications that are no longer being offered and have no student enrolments; and ▪ Qualifications that did not meet the SAQA requirements for re-registration. The Quality Councils were consulted in this regard. A big part of simplifying the NQF rests with effective and easily understood communication. SAQA co-ordinates and chairs quarterly meetings of the Advocacy and Communication Committee, a sub-committee of the CEO Committee. This committee consists of representatives from the three Quality Councils, DHET, and DBE. The committee developed an Integrated Communication Strategy to ensure that the partner organisations inform the public about the NQF, its sub-frameworks, and its key components which include quality assurance, articulation, and recognition of prior learning.
Support the mobility of national and international lifelong learners, and the recognition of their learning and experience	SAQA supports the mobility of lifelong learners through its Verification and Evaluation Service functions. For the financial year, **72 543 national qualifications** were verified and **23 622 foreign qualifications** were compared and recognised. In addition, information about **1 078 302 learners** and **856 702 qualification achievements** were captured on the NLRD. SAQA also subscribes to international initiatives aimed at recognising qualifications globally. The Addis Convention is an African initiative being driven by UNESCO. SAQA published an article on the Addis Convention that focused on the mutual recognition of qualifications.

Objective	Achievement
Direct policy development and implementation to create an enabling environment for learner mobility	The Policy and Criteria for Evaluating Foreign Qualifications within the SA NQF was approved by the SAQA Board on 2 December 2015 and published on 30 December 2015. The Appeals Policy for the Verification of South African Qualifications and Foreign Qualifications Appeals Policy were also approved by the Board on 2 December 2015. These policies provide a mechanism of appeal if qualification holders disagree with the outcome of the verification of their national qualifications or the evaluation of their foreign qualifications. In addition, the Foreign Qualifications Revocation Policy was also approved. This policy outlines the basis on which SAQA would revoke its Certificate of Evaluation. The entire suite of NQF policies are in place to promote learner mobility. A process for South Africa to become a signatory to the Addis Convention is underway. As part of the preparatory work, SAQA has aligned with the Convention's principles that address issues of learner mobility.
Ensure the credibility, integrity and reliability of information by strengthening and integrating information management systems	SAQA reports to the Minister every two months, on cases of misrepresented qualifications that have been uncovered during the verification of national and foreign qualifications. SAQA's stringent verification processes ensure the integrity and credibility of the NQF by separating misrepresented qualifications from those that are authentic. For the financial year, **94** (0.13%) of the **72 543** national qualifications verified and **111** foreign qualifications were misrepresented. **24 942** applications were received in the Foreign Qualifications directorate over the year. The NLRD developed a method for removing duplicate person records, thus continuing to ensure the integrity of the data. Only information coming from either a Quality Council or a recognised data supplier is added to the NLRD. Efforts are underway to automate a number of processes to improve the efficiency and accuracy of the information provided to clients.
Establish an effective monitoring and evaluation system	The CEO Committee monitors progress achieved against the Ministerial Guidelines and the implementation of the NQF Implementation Framework quarterly. SAQA has built into its processes a monitoring and evaluating system for all qualifications and part-qualifications that are recommended by the QCs for registration. There are different structures and levels involved in this system. The Directorate for Registration and Recognition conducts the first level of monitoring and evaluation against set policy and criteria. The qualifications and part-qualifications are then reviewed by the Qualifications and Standards Committee, who if satisfied, recommends that the SAQA Board registers the qualification/part-qualification on the NQF. A similar evaluative process is followed to recognise professional bodies and register professional designations. A Professional Bodies Appeals Policy was developed and approved, and a Committee was established to enable a professional body to appeal against an unfavourable SAQA decision. In addition, SAQA implemented a protocol to monitor professional bodies that have been recognised by SAQA for at least two years. In this financial year, **23 professional bodies** that were recognised by 31 March 2014 were monitored to ensure that they remain compliant with the requirements of the *Policy and Criteria for the Recognition of Professional Bodies and Registration of Professional Designations*.

Objective	Achievement
Facilitate and support the establishment of a national co-ordinating agency for RPL	The establishment of a national co-ordinating agency for RPL has been addressed by DHET's RPL Policy that was published at the end of March 2016. DHET will fulfil the role of the national co-ordinating agency for RPL as part of Phase 1 of implementing the policy. SAQA will revise its RPL Policy to ensure its alignment with the Ministerial RPL Policy.
Lead, influence and contribute to regulatory and policy debates and the formulation of government policy	SAQA led a task team, established by the CEO Committee, which drafted a Policy on Misrepresented Qualifications. This draft Policy was approved by the CEO Committee on 26 February 2016 and handed over to the Minister: HET for further consideration. SAQA also led a task team to revise the Joint Communiqué 1 of 2012, Interim Guidelines on the Registration and Accreditation of Private Providers Offering Qualifications and Part-Qualifications in the Trade and Occupational Sector. Substantial effort and investment is made annually to partner with universities to conduct new research. Research findings and reports contain new knowledge and is shared with relevant policy makers and implementers. The Minister: HET was also provided with a copy of the NQF Impact Study 2014, earlier in the financial year. SAQA's investment in relevant, ground-breaking research is a significant contribution towards leading and influencing regulatory and policy debates. Another initiative was providing comments on draft policy and legislation. In this financial year, we commented on the Draft RPL Policy that was published by DHET, the Ministerial Guidelines 2015/16 and the draft Ministerial Guidelines 2016/17.
Strengthen relationships with the Ministry of Higher Education and Training and QCs and consolidate relationships with other relevant Government Departments, entities and partner organisations	SAQA has established a partnership with the Government Communication and Information Services (GCIS). Through this partnership, SAQA is able to disseminate timely information on the NQF and its other services to a broad spectrum of communication officials at local, provincial, and national government departments and other government entities. SAQA's partnership with the Financial Planning Institute of Southern Africa has enabled us to communicate relevant messages on the NQF and its broader services to industry bodies and professionals, financial services and retail organisations. Quarterly meetings are held between SAQA and the DPSA with respect to the verification of qualifications for the public service and misrepresented qualifications claimed by current or prospective public service employees. The NLRD Partners Forum meets quarterly to discuss the quality of information loaded onto the NLRD by the Sector Education and Training Authorities (SETAs) and QCs and the requirements for future scheduled data loads. This project ensures a steady increase of learner achievements loaded onto the NLRD. SAQA representatives sit on various DHET and DBE structures. DBE structures include the National and Provincial Examination Irregularities Committees and various Heads of Education Committees, including the Teacher Development and Curriculum Committee and the National Examination and Assessment Committee. SAQA representatives also attend the Umalusi Standardisation of Examination Results meetings as observers. The CEO of SAQA is also a Board member of the Boards of the Council on Higher Education, Quality Council for Trades and Occupations and Umalusi.

Objective	Achievement
Develop a sustainable funding framework by: *Developing a full cost recovery model for products and services rendered *Developing a "third stream" revenue generation model; and *Raising additional funding	SAQA receives partial funding from the state. The balance of its income is raised through the services it renders. Services that generate most of its revenue are the Verifications Project and the Foreign Qualifications Evaluation and Advisory Service. In the case of the latter, we implemented a new price structure that provides for a full recovery of costs incurred with an additional five percent margin. A proposal for additional funding for the digitisation of qualification achievement records was submitted to the Tirelo Bosha funding window, representing a bilateral partnership between the Belgian government and the DPSA. SAQA was granted R2 million for digitising a portion of the pre-1992 Senior Certificate records, and a further R611 000 to digitise teacher qualification records. SAQA allocated a further R1 million from its own budget towards this important initiative. An estimated cost to digitise more than 10 million pre-1992 Senior Certificate records, is R40 million. This project will be implemented in the next financial year. Two additional funding proposals were submitted to the European Union via DHET. The first proposal for R23 839 000 is to implement a counter-fraud strategy, while the second for R26 490 000 over three years, was to further digitise the remaining pre-1992 Senior Certificate records.
Develop and implement a knowledge management system that makes information accessible to different audiences	SAQA developed and tested a Knowledge Management System (KMS). The KMS will ensure that knowledge generated from one source can be effectively utilised throughout the organisation and accessed via multiple channels of communication. This will enable us to provide the most current and accurate information to our clients and manage the consistency of the messages that we communicate. The KMS will be implemented in the next financial year.
Ensure that environmental sustainability is kept embedded in all NQF processes	The digitisation of learner achievements will go a long way towards embedding environmental sustainability into the NQF processes as we strive to move towards a paperless environment. The SAQA Board and Committee members are encouraged to request electronic copies of meeting packs. Internally, SAQA introduced the use of shared folders so that staff make use of electronic meeting packs. SAQA only purchases electronic equipment that adheres to an international green standard. SAQA has also instituted an online applications and payment system for its Foreign Qualifications and Evaluation service. SAQA is registered as a member of the Green Buildings Council of SA and has earned recognition for its various initiatives to "green" our building and reduce our carbon footprint. Environmental sustainability is top of mind in all that we do.

Zimbabwe	India	Nigeria	United Kingdom	Lesotho
18.7%	12%	9.6%	9.1%	6.1%
DRC	**USA**	**Thailand**	**Swaziland**	**Pakistan**
3.7%	3.3%	2.4%	2.3%	2.1%

Figure 16: Chart showing Top 10 countries of origin of qualifications recognised in reporting period

More than two-thirds (69%) of qualifications that were compared and recognised, originated from 10 of 154 countries.

DRC	Other African Countries	Ghana	Zimbabwe	Nigeria
40	12	9	8	7
Lesotho	**Cameroon**	**Swaziland**	**Angola**	**Other countries (excl, Africa)**
5	5	5	5	5
Pakistan	**India**	**Bangladesh**		
4	3	3		

Figure 17: Chart showing countries/regions from where misrepresented qualifications originated

Figure 18: Chart showing Misrepresented Qualifications by NQF level

45 of the 111 qualifications that were misrepresented were on NQF Level 4. 26 misrepresented qualifications were on NQF Level 7.

4.2 NQF Policy Implementation

Facilitate and support the implementation of NQF policies in a simple, coherent and integrated manner across education, training, development and work

Achievements

Publications

- Produced two shorter, more concise versions of the NQF Impact Study 2014
- Produced a poster on Lifelong Learning and Professional Development in Residential Universities

New knowledge

- Formed a partnership with DUT to conduct new research on college-to-university articulation pathways
- Produced a concept paper on the role that an ombud function might have in education, training and development

Oversight

- Monitored progress made by QCs with implementing the 2015/16 Ministerial Guidelines and the NQF Implementation Framework 2015-2020
- Monitored 23 professional bodies recognised by 31 March 2014.

Achievement of Objectives under NQF Policy Implementation Goal

Objective	Achievement
Sustain research that informs, directs and steers policy	The NQF Impact Study: 2014, was completed in the last financial year. Two shorter, more concise versions of the report were produced and distributed during a stakeholder workshop in February 2016. The purpose of the workshop was to share the major findings and recommendations of the study and discuss plans for the next NQF Impact Study in 2017. A new long-term research partnership with the Durban University of Technology was negotiated. This venture will focus on researching college-to-university articulation pathways that will inform the effectiveness of NQF policies insofar as articulation is concerned. Research was also conducted and a concept paper developed on the role that an ombud might have in education, training and development. This concept paper will be discussed with relevant stakeholders in the next financial year. A poster based on the research done by SAQA and the UWC on Lifelong Learning and Professional Development in Residential Universities, was produced. This popular version, designed to stimulate debate around flexible learning and teaching, was shared with policy makers and implementers at a workshop held on 9 November 2015.
Develop short and medium term plans for the implementation of NQF policies in an integrated manner	SAQA has the responsibility of oversight of the implementation of the NQF policies. Constant interactions take place at various levels within SAQA and the QCs in this regard. Progress against the Ministerial Guidelines and the implementation of the NQF Implementation Framework is monitored quarterly through the CEO Committee. SAQA has a protocol for monitoring professional bodies that were recognised by SAQA for more than two years. Twenty three professional bodies recognised by 31 March 2014 were monitored and found to be compliant with the criteria for SAQA recognition.
Assess progress achieved in the implementation of NQF Policies	SAQA's role is to monitor the implementation of the NQF policies. This is done through the CEO Committee. Implementation of the Policy and Criteria for Evaluating Foreign Qualifications within the South African NQF has yielded interesting results. Of the **111** misrepresented foreign qualifications, 39 were from the DRC, 9 from Ghana and 8 from Zimbabwe.

Stakeholders at the Research workshop on Flexible teaching and learning

4.3 Valuing Staff

Optimise capacity, encourage and value the contributions of staff towards organisational effectiveness and excellence in service delivery

Achievements

Staff Investment

- Staff participated in leadership and staff development programme with the African Institute of Mentoring (AIM)
- Management team underwent individual coaching sessions
- Management completed individual research-based Action Learning Projects
- Performed 360° performance assessments
- Trained **16** interns
- Undertook study visits to Zambia, the USA, Singapore, Paris and Turkey
- Rewarded staff who qualified for performance bonuses
- Provided bursaries for **12** staff members at a cost of **R111 730**

Transformation

- **89%** of staff is Black
- **63%** are women
- **1.8%** of staff are disabled

Figure 20 Achievements under the Valuing Staff Goal

Objective	Achievement
Prioritise the professional development of staff	SAQA views itself as a learning organisation, and staff development is therefore very important. Being a knowledge-based organisation, much of our learning takes place on the job. Staff learning takes the form of formal, non-formal and informal initiatives. The non-formal customised eighteen-month leadership and staff development programme with the African Institute of Mentoring (AIM) was concluded. The management team underwent individual coaching sessions and completed individual research-based Action Learning Projects. The final leg of this programme included 360° performance assessments in order to determine if the staff development programme had the desired effect that it was designed for. Twelve employees were awarded bursaries to further their formal learning pathways. A total of **R111 730** was awarded to these employees. SAQA's internship programme has committed us to playing our part in preparing new higher education graduates to contribute meaningfully to the economy by improving their skills and preparing them for the world of work. The current intake of 16 interns will end their tenure at SAQA on 31 May 2016. We have approval from the ETDP SETA to take on an additional 16 interns from June 2016.

Objective	Achievement
Implement an organisation wide Learning and Development Plan	The identification of learning and development initiatives begin with the Strategic and Annual Performance Plans (APP). The Directorate Operational Plans flow from the APP. A SAQA–wide Learning and Development Plan as well as Directorate Learning and Development Plans were developed and implemented. Individual staff members developed their performance contracts that stemmed from the operational plans. Each staff member completed a Personal Learning and Development Plan at the time of signing their new performance contracts. In addition, SAQA identified specific skills and training that each staff member should undergo in order to ensure that we delivered on our mandate.
Implement and refine the performance recognition and reward system	A recognition and rewards system is in place. We are in the process of reviewing the current system. The SAQA Board approved a Terms of Reference for a private provider to assist with the project. The service provider is busy with a benchmarking exercise. A new performance recognition and reward system will be implemented in the next financial year.
Finalise and, if necessary, refine the performance contracting management and development system	The performance contracting template was further refined. All staff members signed performance contracts. Staff members were encouraged to apply their minds towards developing performance indicators that were SMART and that clearly linked to the Strategic Plan and imperatives of SAQA.
Continue effective succession planning and leadership development	SAQA is proud of its transformation initiative in attracting Black talent to the organisation. Currently, **89%** of staff is Black and **63%** are women. Leadership development initiatives are continuous and take the form of weekly strategic meetings with senior staff and regular staff engagements around specific topics. Some staff members undertook study visits to Zambia, United States of America, Singapore, Paris and Turkey, amongst others in order to broaden their horizons and perspectives and present papers. A succession plan for critical posts is in place.

SAQA staff mark Heritage Day

Objective	Achievement
Ensure that SAQA's mandate is understood by all staff and aligned to the organisation's strategy	All staff contracting and appraisal discussions are framed in terms of SAQA's strategy, deliverables and mandate so that each staff member understands the role that s/he plays in delivering on the mandate. Weekly meetings of senior managers are held to discuss performance and other organisational matters. Monthly meetings are held with the Deputy CEO, Deputy Directors and Directors, during which pertinent topics are either presented or discussed. This information is cascaded to other levels of staff during regular directorate meetings. The CEO conducted strategic conversations with all SAQA staff to reflect on the 2015/16 Strategic Plan and Annual Performance Plan achievements as well as trends for the next financial year, in February 2016. This was part of the strategic planning process whereby staff were encouraged to provide input into developing the Strategic Imperatives for 2017/18. A strategic planning workshop was also held with managers where DHET, DBE and Quality Councils were invited to make presentations on their Strategic and Annual Performance Plans. These inputs informed the development of draft 2017/18 Strategic Imperatives that were presented to the SAQA Board.
Review and refine SAQA's functions and operations and ensure that the organisational structure is "fit for purpose"	Quarterly review workshops with senior managers are held to discuss delivery against operational plans and synergies across functions. Ongoing refinements are made to ensure that the organisational structures are adequately resourced to deliver on all aspects of the mandate of SAQA.

4.4 Public Positioning

Publicly position SAQA as the apex entity to enhance the NQF

Achievements

Partnerships

- Partnered with GCIS and FPI to disseminate information to relevant stakeholder groups

Reach

- Recorded **607 802** social media users who created **3 093 573** digital impressions
- Reached almost 37 million people via radio, **270 000** through television and more than **2.2 million** via print
- Hosted events on flexible teaching and learning, the NQF Impact Study, Research to enhance Articulation in Education and Training, the Addis Convention and Professional standards for teachers and school leaders
- Responded to **6 884** enquiries by phone, e-mail and through the walk-in service

Figure 21 Achievements under the Public Positioning Goal

Achievement of Objectives under the Public Positioning Goal

Objective	Achievement
Advance the Integrated Communications Strategy through the appropriate use and management of technology, innovation, and traditional and digital media	There is a steady increase in the use of SAQA digital media platforms as SAQA continues to post relevant articles, images and messages on the NQF and SAQA services. These platforms include the Website, Facebook, Twitter, LinkedIn, and Google+. SAQA recorded **607 802** users of its social media platforms and **3 093 573** digital impressions created by users of our platforms in this financial year.
Review and refine the strategy and plans to advocate and inform policy makers, policy implementers and policy beneficiaries	The Integrated Communication Strategy and plans were reviewed and refined in line with feedback received from policy makers and policy implementers. For the year, about **37 million** people were reached via radio, **270 000** through television and more than **2.2 million** via print. Owing to limited budget, our main channel of communication is still social media platforms and our website. During the course of the year, we participated in eight events which gave us access to policy beneficiaries. A further seven events provided access to policy makers and implementers. These events included workshops on flexible teaching and learning, the NQF Impact Study, research to enhance Articulation in Education and Training, the Addis Convention and a seminar on *Professional Standards for Teachers and School Leaders: a review of developments in South Africa*.
Continue to grow the NQF Advisory Service to further the implementation of the NQF	The NQF Advisory Service was launched in April and has provided information and advice on the NQF to policy implementers and policy beneficiaries who contacted SAQA by phone, e-mail, and by visiting the offices. For the year, **6 884** enquiries were received by phone, e-mail and through the walk-in service.
Continue to establish extensive public appreciation of the NQF as a framework for transformation, articulation and lifelong learning	SAQA's main channel of communication with stakeholders throughout the year remains social media. Digital media statistics for the year are presented below.

Public positioning efforts for the period 1 April 2015 – 31 March 2016

597 497 website users

271 055 people reached through Facebook

607 802 people using social media platforms

2 325 372 web page views

422 800 Twitter impressions

3 093 573 digital views

15 events

5 056 Google+ & Twitter followers

74 346 Google+ page views

37 million reached via radio

6 884 enquiries received

4 740 Facebook likes

509 Linked-In Followers

270 000 reached through television

2.2 million people reached through print media

Figure 22: Statistics relating to public positioning

SAQA volunteers at the Spar Women's Day race

5. PERFORMANCE INFORMATION BY PROGRAMME

SAQA has six programmes. The programmes are:

Programme	Sub-Programme	Strategic Objective/s
1. ADMINISTRATION	*1.1 Executive Office*: responsible for the overall coordination and organisational performance in response to SAQA's mandate	Provide bold and competent leadership in the implementation of the NQF Act to the advantage of lifelong learners Facilitate and support the implementation of NQF policies in a simple, coherent and integrated manner; and Coordinate the work of the NQF partners
	1.2 Finance and Administration: responsible for effective financial and infrastructural governance and resources to support SAQA's objectives	Maintain an effective and efficient Financial Management system
	1.3 Human Resources: responsible for providing strategic and operational support to embrace diversity, environmental sustainability, and social justice and contribute towards the delivery of SAQA's mandate	Provide strategic and operational human resource support to SAQA
	1.4 Information Technology: responsible for effective ICT governance and IT infrastructural resources to support the achievement of organisational objectives and business processes	Develop an effective and efficient IT system that supports SAQA
	1.5 Advocacy, Communication and Support: responsible for informing stakeholders and the public about the NQF, SAQA and related matters	Inform the public about the NQF, SAQA and related matters; and Develop an NQF Advisory Service to enable the public to navigate the NQF
2. REGISTRATION AND RECOGNITION	Responsible for registering nationally relevant and internationally comparable qualifications and part-qualifications that meet national criteria and articulates across sub-frameworks; and recognising professional bodies and registering professional designations on the NQF	Register Qualifications and Part-Qualifications; and Recognise professional bodies and register professional designations on the NQF

Programme	Sub-Programme	Strategic Objective/s
3. NATIONAL LEARNERS' RECORDS DATABASE	Responsible for maintaining and further developing the NLRD's functionality which serves as the key national source of information for human resource and skills development in terms of policy, infrastructure and planning	Maintain and further develop the National Learners' Records Database
	3.1 VERIFICATIONS PROJECT: responsible for verifying the authenticity of national qualifications	
4. FOREIGN QUALIFICATIONS, EVALUATION AND ADVISORY SERVICES	Responsible for evaluating foreign qualifications against set criteria including verification of the authenticity of qualifications and comparison of foreign qualifications with similar qualifications on the South African NQF	Provide a foreign qualifications evaluation and advisory service
5. RESEARCH	Responsible for conducting evidence-based research to evaluate the impact of the NQF and inform the development and further implementation of the NQF	Facilitate and support the implementation of NQF policies in a simple, coherent and integrated manner; and Conduct Research on issues of importance to the NQF
6. INTERNATIONAL LIAISON	Responsible for liaising with international partners on matters concerning qualifications frameworks and sharing best practice within the NQF family	Ensure effective international collaboration and benchmarking

This Report is based on the *Revised* Annual Performance Plan for 2015/16 that was submitted to the Executive Authority on 10 September 2015 and approved on 2 December 2015.

Programme 1

1.1 Executive Office

Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
Provide bold and competent leadership in the implementation of the NQF Act to the advantage of lifelong learners	Developed the draft Framework for 2015 – 2020 for discussion at the February 2015 CEO Committee meeting	Implement all the requirements of the NQF Act	Progress reported at the CEO Committee meetings quarterly	No	None
	The draft framework served at the SAQA Board meeting in March 2015 QCs are currently providing input into the document		NQF Implementation Framework for 2015-2020 approved by the CEO Committee and the SAQA Board Report produced, approved by SAQA Board and sent to Minister	No	None
	Completed the Report on progress against the Ministerial Guidelines for 2014/15		Report produced, approved by SAQA Board and sent to Minister	No	None

Programme 1					
1.1 Executive Office					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Facilitate and support the implementation of NQF policies in a simple, coherent and integrated manner (Implementation and adherence to NQF Policies monitored and co-ordinated)	SAQA developed and updated the Tracking Grid which serves as a progress report for the CEO Committee Developed and updated the report on oversight and monitoring of the implementation of SAQA NQF Policies	Monitor and report on implementation of the NQF Act through appropriate mechanisms	The following policies were developed and approved: Verifications Appeals Policy, Professional Bodies Appeals Policy and Foreign Qualifications Revocation Policy The Foreign Qualifications Appeals Policy was reviewed, updated and approved. The Draft Policy on Misrepresented Qualifications was developed and handed over to the Minister	Yes Exceeded the target by ***3*** policies	The target was exceeded because of the urgency of having all of the listed policies in place

Programme 1					
1.1 Executive Office					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Produced a consolidated report on the separate sets of advice provided to the Minister The report included the briefing note on the priorities of the NQF and SAQA's role, comments on the Ministerial Priorities and Guidelines, both for 2014/15 and for 2015/16 and the development of a Fraud Register and the implications of making this public	Provide leadership in the regulatory and policy debates, and influence and contribute to the formulation of government policy	Input provided into the Minister's Draft RPL Policy, and the Ministerial Guidelines 2015/16 and the Draft Ministerial Guidelines 2016/17	No	None
Coordinate the work of the NQF partners	Produced the annual report on effective collaboration The Chairperson of the CEO Committee approved the report Facilitated the implementation of the System of Collaboration. This is managed through the CEO Committee. Collaboration is seen through reporting recorded in the CEO Committee tracking grid	Effective collaboration between SAQA and the QCs	Report on the System of Collaboration approved by the SAQA Board and sent to Minister	No	None

Programme 1					
1.1 Executive Office					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Produced a progress report on SAQA's contribution to the Articulation Action Plan	Collaborate towards an articulated NQF	Report on SAQA's contribution to the Articulation Action Plan was produced and approved by SAQA Board	No	None

Programme 1					
1.1 Executive Office					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
1. NQF Implementation Framework 2011-2015 (as monitoring tool) developed and approved	SAQA developed and updated the tracking grid which serves as a progress report for the CEO Committee SAQA developed and updated the report in this respect	1.1 Monitor and oversee the implementation of the NQF Implementation Framework 2011-2015	Progress reported at the CEO Committee meetings quarterly	No	None

Programme 1					
1.1 Executive Office					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
2. NQF Implementation Framework for 2015 – 2020 (as monitoring tool) approved and implemented	Developed the draft Framework for 2015 – 2020 for discussion at the February 2015 CEO Committee meeting The draft Framework served at the SAQA Board meeting in March 2015 QCs are currently providing input into the document	2.1 Agree to, and approve the new Implementation Framework for 2015 – 2020, as a monitoring tool	NQF Implementation Framework for 2015-2020 approved by the CEO Committee and the SAQA Board	No	None
3. Report on all Ministerial Guidelines to address priorities of the NQF	Completed the report on progress against the Ministerial Guidelines for 2014/15	3.1 Complete Report on Ministerial Guidelines 15/16	Report produced, approved by SAQA Board and sent to Minister	No	None

Programme 1					
1.1 Executive Office					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
4. Number of NQF policies or guidelines implemented or reviewed and simplified and implemented	SAQA developed and updated the tracking grid which serves as a progress report for the CEO Committee Developed and updated the report on oversight and monitoring of the implementation of SAQA NQF Policies	4.1 Oversee and monitor the implementation of SAQA NQF Policies *(2 policies/guidelines developed/reviewed)*	The following policies were developed and approved: Verifications Appeals Policy, Professional Bodies Appeals Policy and Foreign Qualifications Revocation Policy The Foreign Qualifications Appeals Policy was reviewed, updated and approved The Draft Policy on Misrepresented Qualifications was developed and handed over to the Minister	Yes Exceeded the target by ***3*** policies	The target was exceeded because of the urgency of having all of the listed policies in place

Programme 1					
1.1 Executive Office					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
5. Input provided to legislation and policies as required	A consolidated report on the separate sets of advice provided to the Minister was produced; The report included the Briefing Note on the priorities of the NQF and SAQA's role, comments on the Ministerial Priorities and Guidelines, both for 2014/15 and for 2015/16, and the development of a Fraud Register and the implications of making this public	5.1 Provide advice to the Minister on all requested matters or as deemed necessary (Provide input into all relevant legislation and policies as required)	Input provided into the Minister's Draft RPL Policy, and the Ministerial Guidelines 2015/16 and the Draft Ministerial Guidelines 2016/17	No	None
6. Implement the System of Collaboration to guide mutual relations between SAQA and the QCs	Facilitated implementation of the System of Collaboration. This is managed through the CEO Committee. Collaboration is monitored through reporting recorded in the CEO Committee tracking grid	Not a target for 2015/16	-	-	-

Programme 1

1.1 Executive Office

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
7. Annual report on effective collaboration approved	Produced the annual report on effective collaboration The Chairperson of the CEO Committee approved the report	7.1 Implement the System of Collaboration to guide mutual relations between SAQA and the QCs and report annually on its effectiveness	Report on the System of Collaboration approved by the SAQA Board	No	None
8. Implement Action Plan on Articulation	Produced a progress report on SAQA's contribution to the Articulation Action Plan	8.1 Implement SAQA's contribution to the Articulation Action Plan	Report on SAQA's contribution to the Articulation Action Plan was produced and approved by SAQA Board	No	None

Programme 1					
1.2 Finance and Administration					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Maintain an effective and efficient Financial Management system	Received a clean and unqualified audit report for 2013/14 from the Auditor-General	Receive a clean audit report	Received an unqualified audit report for 2014/15 from the Auditor-General	Yes An unqualified audit opinion was achieved	The reasons for not achieving a clean audit were due to material misstatements on property, plant and equipment and verification income and receivable which was identified by the auditors and subsequently corrected Strategies are in place to ensure that these mistakes do not occur again
	Aligned SAQA's financial policies and procedures to the PFMA and National Treasury Regulations Reviewed the relevant finance policies to align them with the National Treasury Instruction Note. The Board approved the reviewed policies	Ensure effective governance, and compliance with sustainability and statutory requirements and codes as applicable to SAQA	SAQA's finance policies and procedures are aligned to the PFMA and National Treasury Regulations The relevant finance policies were reviewed to ensure alignment with the National Treasury Instruction Note. The reviewed policies were approved by the Board	No	None

Programme 1					
1.2 Finance and Administration					
Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
	Produced 12 monthly management accounts and 4 quarterly reports in in line with National Treasury requirements		SAQA produced 12 monthly management accounts and 4 quarterly reports in the format used for reporting to DHET SAQA also developed four quarterly reports in the format required by National Treasury	No	None

Programme 1

1.2 Finance and Administration

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
9. A clean audit report	Received a clean and unqualified audit report for 2013/14 from the Auditor-General	9.1 Receive a clean audit report	Received an unqualified audit report for 2014/15 from the Auditor-General	Yes An unqualified audit opinion was achieved	The reasons for not achieving a clean audit were due to material misstatements on property, plant and equipment; and verification income and receivable which was identified by the auditors and subsequently corrected Strategies are in place to ensure that these mistakes do not occur again
10. Percentage of compliance with National Treasury requirements	Aligned SAQA's financial policies and procedures to the PFMA and National Treasury Regulations Reviewed the relevant finance policies to align them with the National Treasury Instruction Note. The Board approved the reviewed policies	10.1 Achieve 100% compliance with National Treasury requirements	SAQA's finance policies and procedures are aligned to the PFMA and National Treasury Regulations The relevant finance policies were reviewed to ensure alignment with the National Treasury Instruction Note. The reviewed policies were approved by the Board	No	None

Programme 1					
1.2 Finance and Administration					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Produced 12 monthly management accounts and 4 quarterly reports in in line with National Treasury requirements	10.2 Produce and submit timeously 12 monthly management accounts and 4 quarterly reports	Produced 12 monthly management accounts and 4 quarterly reports in in line with National Treasury requirements	No	None

Executive Office and International Liaison

Finance & Administration

Programme 1

1.3 Human Resources

Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
Provide strategic and operational human resource support to SAQA	Submitted the Workplace Skills Plan and Annual Training Report were submitted on 27 May 2014, after an extension of 1 month was granted SAQA's Human Resource policies fully complied with all human resource legislation and regulations Reviewed all relevant HR policies were reviewed and amended where necessary, to be in line with the latest legislation	Prioritise the professional development of staff and refine the recognition and reward system	Submitted the Workplace Skills Plan and Annual Training Report by 30 April 2015	No	None
	Submitted the Employment Equity Report online to the Department of Labour on 15 January 2015		Submitted the Employment Equity Report online to the Department of Labour by 31 January 2016	No	None

Programme 1					
1.3 Human Resources					
Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
	Developed and approved performance contracts for all staff		Developed and approved performance contracts for all staff	No	None
	Completed all staff assessments		Completed all staff assessments	No	None
	Fully implemented learning and development activities across SAQA Received and collated the Learning and Development Plans for all directorates into the Organisational Learning and Development Plan Produced a report on the implementation of the Learning and Development Plans		Approved Learning and Development Plans for each directorate Approved Learning and Development Plan for SAQA		
	REMCO approved the Interim Remuneration System and it was implemented		Staff who qualified received performance bonuses	No	None

Programme 1					
1.3 Human Resources					
Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
	Developed a draft Terms of Reference on Recognition and Rewards SAQA's Remuneration and Human Resources Committee approved the appointment of a service provider to investigate and recommend an appropriate Recognition and Rewards model		Service provider still busy with benchmarking exercise	Yes We are behind on achieving this target because there was a delay in appointing the service provider	Measures have been introduced to ensure that the service provider delivers according to the tender specifications within the first 6 months of the new financial year

Programme 1

1.3 Human Resources

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
11. Percentage of compliance with all human resource legislation and regulations	SAQA's Human Resource policies fully complied with all human resource legislation and regulations Reviewed all relevant HR policies were reviewed and amended where necessary, to be in line with the latest legislation Submitted the Workplace Skills Plan and Annual Training Report were submitted on 27 May 2014, after an extension of 1 month was granted	11.1 WSP, ATR and EE Plan submitted by legislated deadline	Submitted the Workplace Skills Plan and Annual Training Report by 30 April 2015; and	No	None
	Submitted the Employment Equity Report online to the Department of Labour on 15 January 2015		Submitted the Employment Equity Report online to the Department of Labour by 31 January 2016		
12. Percentage of staff performance contracts developed and approved	Developed and approved performance contracts for all staff	12.1 100% of staff contracts approved	Developed and approved performance contracts for all staff	No	None

Programme 1

1.3 Human Resources

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
13. Percentage of staff assessed against performance contracts	Completed all staff assessments	13.1 Assess 100% of staff	Completed all staff assessments	No	None
14. Number of organisation-wide and directorate learning and development plans developed and approved	Fully implemented learning and development activities across SAQA Received and collated the Learning and Development Plans for all Directorates into the Organisational Learning and Development Plan Produced a report on the implementation of the Learning and Development Plans	14.1 SAQA-wide Learning and Development Plan approved 14.2 All Directorate Learning and Development Plans approved	Approved Learning and Development Plans for each Directorate Approved Learning and Development Plan for SAQA	No	None
15 Refined recognition and reward system approved and implemented	Interim Remuneration System approved by Remuneration and Human Resources Committee and implemented	15.1 Recognise and reward 100% of staff who qualify	Staff who qualified received performance bonuses	No	None

Programme 1					
1.3 Human Resources					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Developed a draft Terms of Reference on Recognition and Rewards SAQA's Remuneration and Human Resources Committee approved the appointment of a service provider to investigate and recommend an appropriate Recognition and Rewards model	15.2 New Remuneration System for recognition and reward developed	Service provider still busy with benchmarking exercise	Yes We are behind on achieving this target because there was a delay in appointing the service provider	Measures have been introduced to ensure that the service provider delivers according to the tender specifications within the first 3 months of the new financial year

Programme 1					
1.4 Information Technology					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Develop an effective and efficient IT System that supports SAQA	Approved the Knowledge Management Strategic Framework	An effective and efficient IT system that supports the business of SAQA	Developed the Integrated Knowledge Management System Completed functionality testing Approved the Knowledge Management Strategy and Plan	No	None

Programme 1					
1.4 Information Technology					
Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
	Approved the IT Enterprise Architecture document that includes the ICT Procurement Strategy, Migration Plan/Policy		Board approved ICT Enterprise Architecture Prepared procurement plan and budget for 2016-2017	No	None
	Uptime was 95%		Servers were kept online more than 95% of the time throughout the year	No	None
	Fully complied with all IT governance, legislation, regulations and codes of best practice Compiled the User Access Management Procedures and revised and implemented the Patch Management process Updated the IT Policy Catalogue		Fully complied with all IT related legislation Board approved the Enterprise Architecture, I&IT Committee recommended COBIT priority objectives for Board approval Reviewed the Information Security policy	No	None

Programme 1					
1.4 Information Technology					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
16.A coordinated and integrated knowledge and information system in place	Approved the Knowledge Management Strategic Framework	16.1 Develop an Integrated Knowledge Management System	Developed the Integrated Knowledge Management System Completed functionality testing Board approved the Knowledge Management Strategy and Plan	No	None
17.Percentage of compliance with all IT governance legislation and regulations and codes of best practice	Approved the IT Enterprise Architecture document that includes the ICT Procurement Strategy, Migration Plan/Policy	17.1 An ICT Enterprise Architecture in place and implemented	Board approved the ICT Enterprise Architecture Prepared the procurement plan and budget for 2016-2017	No	None
	Uptime was 95%	17.2 Servers Uptime exceeds 95%	Servers were kept online more than 95% of the time throughout the year	No	None
	Fully complied with all IT governance, legislation, regulations and codes of best practice Compiled the User Access Management procedures and revised and implemented the Patch Management process	17.3 Report on compliance with relevant IT legislation	Fully complied with all IT related legislation Board approved the Enterprise Architecture, I&IT Committee recommended COBIT priority objectives for Board approval	No	None

Programme 1					
1.4 Information Technology					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Updated the IT Policy Catalogue		Reviewed the Information Security Policy		

Human Resources

Information Technology

Programme 1					
1.5 Advocacy, Communication and Support					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Inform the public about the NQF, SAQA and related matters	SAQA's social media platforms showed the following activity: SAQA website, Facebook, Twitter, Google+, LinkedIn had **168 344** users/ followers/likes and **757 387** impressions	An accessible NQF for policy makers, implementers and beneficiaries	A total of **607 802** individuals used one of SAQA's digital media platforms during the year	Yes We exceeded the target by *157 802* additional people using SAQA/NQF digital platforms	The increase may be attributed to ongoing social media posts and campaigns
	The overall increase in Awareness, Understanding and Valuing (AUV) was measured as follows: Policy Makers (18%) and Policy Implementers (23%)		Policy Implementers Awareness, Understanding and Value (AUV) increased from 93% to 96% over last year and by 23% over baseline (2013/14). Policy Makers AUV increased from 92% - 96% in the last year and improved by 18% over the baseline (2013/14)	Yes Policy implementers AUV was 2% less and policy makers AUV was 1% less than expected	The reason for not achieving the target is probably due to the high percentage of AUV already recorded in the last financial year. This target should be stated differently in the next financial year as emphasis should be placed on maintaining AUV in these segments
Develop an NQF Advisory Service to enable the public to navigate the NQF	The Board approved the concept document in March 2015 Implementation of the NQF Advisory Service will commence on 1 April 2015		Produced report on the implementation of Phase One of the NQF Advisory Service Strategy	No	None

Programme 1

1.5 Advocacy, Communication and Support

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
18. An NQF advisory service to further the implementation of the NQF in place	The Board approved the concept document in March 2015 Implementation of the NQF Advisory Service will commence on 1 April 2015	18.1 Phase One implemented	Produced report on the implementation of Phase One of the NQF Advisory Service Strategy	No	None
19. Number of people using social media platforms	SAQA's social media platforms showed the following activity: SAQA website, Facebook, Twitter, Google+, LinkedIn had 168 344 users/ followers/likes and 757 387 impressions	19.1 450 000 people using SAQA/ NQF digital (including social media) platforms	A total of **607 802** individuals used one of SAQA's digital media platforms during the year	Yes We exceeded the target by *157 802* additional people using SAQA/NQF digital platforms	The increase may be attributed to ongoing social media posts and campaigns
20. Percentage of the three target audiences' awareness, understanding and value of the NQF	The overall increase in Awareness, Understanding and Value (AUV) was measured as follows: Policy Makers (18%) and Policy Implementers (23%)	20.1 5 % increase over previous year's target for Awareness, Understanding and Value (AUV) for policy makers and policy implementers	Policy Implementers AUV increased from **93% to 96%** over last year and by 23% over baseline (2013/14). Policy Makers AUV increased from **92% - 96%** in the last year and improved by 18% over the baseline (2013/14)	Yes Policy implementers AUV was 2% less and policy makers AUV was 1% less than expected	The reason for not achieving the target is probably due to the high percentage of AUV already recorded in the last financial year. This target should be stated differently in the next financial year as emphasis should be placed on maintaining AUV in these segments

Programme 2					
Registration and Recognition					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Register qualifications and part-qualifications	Processed 100% of the qualifications and part-qualifications recommended by the Quality Councils for registration on the NQF: Registered 195 Higher Education qualifications and 27 Occupational qualifications In total **222** qualifications met the requirements for registration	Implement all the requirements of the NQF Act	SAQA processed 100% of the qualifications and part-qualifications recommended by the Quality Councils for registration on the NQF: Registered **178** Higher Education qualifications A further 61 were recommended for registration by the Qualifications & Standards Committee in March 2016 *(and approved by the Board in April 2016)* Registered **37** Occupational qualifications A further 7 were recommended for registration by the Qualifications & Standards Committee in March 2016 *(and approved by the Board in April 2016)*	Yes Details on the number of qualifications that were registered *(178 Higher Education, 37 Occupational and 1 Basic Education qualification)* and recommended for registration *(61 Higher Education and 7 Occupational qualifications)* were additionally provided Information on the total number of registered qualifications ***(216)*** in this financial year was also provided	It is not possible to plan for the number of qualifications that will be registered each year since SAQA can only register qualifications that are recommended by the QCs. In the interests of our stakeholders, additional information on the number of qualifications that were registered and those pending registration for each qualifications sub-framework were reported

Programme 2					
Registration and Recognition					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
			Registered **1** Basic education qualification Registered a total of **216** qualifications in this financial year		
Recognise professional bodies and register professional designations on the NQF	Processed 100% of the applications received for professional bodies' recognition and the registration of professional designations Recognised **8** professional bodies and registered **19** designations		SAQA processed 100% of the applications received from professional bodies and 100% of applications for professional designations Recognised **13** professional bodies and registered **36** professional designations	Yes We reported on the number of professional bodies recognised ***(13)*** and professional designations registered ***(36)***	It is not possible to plan for the number of qualifications that will be registered each year since SAQA can only register qualifications that are recommended by the QCs. In the interests of our stakeholders, additional information on the number of qualifications that were registered and those pending registration *(i.e. qualifications that were recommended by the Q&S Committee and awaited approval for registration by the Board)* for each qualifications sub-framework were reported

Programme 2					
Registration and Recognition					
Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
	Monitored **50.1%** of the recognised professional bodies This equates to 37 of 73 recognised professional bodies		**35.4%** of the professional bodies that were recognised by 31 March 2014, were monitored This equates to **23** of **65** professional bodies recognised by 31 March 2014, having been monitored for compliance against the Policy and Criteria for Recognition of Professional Bodies A further 37 of these professional bodies were monitored for compliance in the previous financial year In total, **92.3%** of professional bodies recognised by 31 March 2014 have been monitored to date	Yes The target was exceeded by **3** additional professional bodies having been monitored Additional information on the percentage (*90.9%*) of professional bodies that were monitored to date, was provided	The target was exceeded by 3 additional professional bodies having been monitored because of resource availability due to fewer than anticipated new applications for professional body recognition having been received

Programme 2

Registration and Recognition

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
21. Percentage of qualifications and part-qualifications recommended by the QCs registered using the Policy and Criteria for the registration of qualifications and part-qualifications on the NQF	Processed 100% of the qualifications and part-qualifications recommended by the Quality Councils for registration on the NQF: Registered 195 Higher Education qualifications and 27 Occupational qualifications In total 222 qualifications met the requirements for registration	21.1 Process 100% of qualifications and part-qualifications recommended by the QCs annually *(Process in this context means to compare 100% of applications received to the Policy and Criteria for the Registration of Qualifications and Part-Qualifications on the NQF. Applications that do meet the criteria are returned. Those that do meet the criteria are submitted to the Qualifications & Standards Committee for recommendation to the Board)*	SAQA processed 100% of the qualifications and part-qualifications recommended by the Quality Councils for registration on the NQF: Registered **178** Higher Education qualifications A further 61 were recommended for registration by Qualifications & Standards Committee in March 2016 *(and approved by the Board in April 2016)* Registered **37** Occupational qualifications A further 7 were recommended for registration by the Qualifications & Standards Committee in March 2016 *(and approved by the Board in April 2016)* Registered **1** Basic education qualification Registered a total of **216** qualifications this financial year	Yes Details on the number of qualifications that were registered *(178 Higher Education, 37 Occupational and 1 Basic Education qualification)* and recommended for registration *(61 Higher Education and 7 Occupational qualifications)* were additionally provided Information on the total number of registered qualifications (**216**) in this financial year was also provided	It is not possible to plan for the number of qualifications that will be registered each year since SAQA can only register qualifications that are recommended by the QCs. In the interests of our stakeholders, additional information on the number of qualifications that were registered and those pending registration *(i.e. qualifications that were recommended by the Q&S Committee and awaited approval for registration by the Board)* for each qualifications sub-framework were reported

Programme 2

Registration and Recognition

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
22. Percentage of professional bodies and professional designations processed using the professional bodies' policy and criteria	Processed 100% of the applications received for professional bodies' recognition and the registration of professional designations Recognised 8 professional bodies and registered 19 designations	22.1 100% of applications for the recognition of professional bodies and registration of their professional designations are processed annually (Process in this context means to compare 100% of applications received to the Policy and Criteria for the Recognition of Professional Bodies and the Registration of Professional Designations. Applications that do meet the criteria are returned. Those that do meet the criteria are submitted to the Qualifications & Standards Committee for recommendation to the Board)	SAQA processed 100% of the applications received from professional bodies and 100% of applications for the registration of professional designations Recognised **13** professional bodies and registered **36** designations for the financial year	Yes We reported on the number of professional bodies recognised (***13***) and professional designations registered (***36***)	It is not possible to plan for the number of professional bodies that will be recognised or the professional designations that will be registered since SAQA can only recognise professional bodies and register their professional designations if professional bodies apply for and meet all the criteria for recognition. In the interests of our stakeholders, additional information on the number of professional bodies that were recognised and professional designations registered in the period was reported

Programme 2

Registration and Recognition

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
23. Percentage of professional bodies monitored against Policy and Criteria for Recognition of Professional Bodies	Monitored 50.1% of the recognised professional bodies This equates to 37 of 73 recognised professional bodies	23.1 30% of professional bodies that were recognised *at least two years* before *(i.e. by the end of the 2013/14 financial year)*, are monitored	**35.4%** of the professional bodies that were recognised by 31 March 2014, were monitored This equates to **23** of **65** professional bodies recognised by 31 March 2014, having been monitored for compliance against the Policy and Criteria for Recognition of Professional Bodies A further 37 of these professional bodies were monitored for compliance in the previous financial year In total, **92.3%** of professional bodies recognised by 31 March 2014 have been monitored to date	Yes The target was exceeded by ***3*** additional professional bodies having been monitored Additional information on the percentage (***90.9%***) of professional bodies that were monitored to date, was provided	More professional bodies were monitored because of resource availability due to fewer than anticipated new applications for professional body recognition having been received

Registration & Recognition

Advocacy, Communications & Support

Programme 3					
National Learners' Records Database					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Maintain and further develop the National Learners' Records Database	Successfully loaded 100% of all data received in July and August 2014 from QCs Successfully loaded 100% of all data received in January and February 2015 from QCs	Support and direct the national and international mobility of lifelong learners, including workers, by facilitating the recognition of their learning	Successfully loaded 100% of all data received from QCs in July and August 2015 Successfully loaded 100% of all data received from QCs in January and February 2016	No	None
	Successfully loaded 100% of all data received in April and May 2014 from professional bodies Successfully loaded 100% of all data received in October and November 2014 from professional bodies		Successfully loaded all data received in April and May 2015 from professional bodies Successfully loaded all data received in October and November 2014 from professional bodies	No	None

Programme 3

National Learners' Records Database					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Produced the NLRD Annual Comprehensive Report for 2014/15		Produced the NLRD Annual Comprehensive Report for 2015/16 A total of **1 078 302** learners were added to the NLRD **856 702** qualification achievements were recorded The NLRD contains information on **16 819 020** learners, **13 411 070** achievements and **28 969** qualifications achieved through RPL by **26 379** learners Produced quarterly tables on information added to NLRD	No No	None None
	Not a target in 2014/15		Produced the 4th Trends Report	No	None

Programme 3					
National Learners' Records Database					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
3.1 Verifications Project					
Maintain and further develop the National Learners' Records Database	Captured and processed **4 717** batches of records and issued **10 563** transcripts	Support and direct the national and international mobility of lifelong learners, including workers, by facilitating the recognition of their learning	Processed a total of **8 518** batches **355** batches were rejected **8 163** batches moved to the verification stage A total of **72 543** individual records (qualifications) were verified	Yes The actual number of individual records (qualifications) verified (***72 543***) was also reported	It is not possible to predict how many qualifications will be submitted for verification. We can only therefore commit to processing all requests for verification received. In the interests of our stakeholders, additional information was provided on the number of qualifications that were verified
	Produced progress reports for each quarter		Produced 4 quarterly progress reports	No	None
	Not a deliverable for 2014/15		Produced monthly statistics on misrepresentation Sent 5 reports on statistics to the Minister	Yes 1 less report was submitted	A total of 5 reports were sent to the Minister during the financial year. Since these reports are cumulative, the number of misrepresented qualifications reports as at 31 March 2016, was a true reflection of all qualifications that had been misrepresented to date

Programme 3

National Learners' Records Database

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
24. Percentage of successfully submitted data from QCs that has been successfully loaded	Successfully loaded 100% of all data received in July and August 2014 from QCs Successfully loaded 100% of all data received in January and February 2015 from QCs	**24.1** 100% of all data received from QCs that meet the criteria are successfully loaded twice per year	Successfully loaded 100% of all data received from QCs in July and August 2015 Successfully loaded 100% of all data received from QCs in January and February 2016	No	None
25. Percentage of successfully submitted data from professional bodies that has been successfully loaded	Successfully loaded 100% of all data received in April and May 2014 from professional bodies Successfully loaded 100% of all data received in October and November 2014 from professional bodies	**25.1** 100% of all data received from professional bodies that meet the criteria are successfully loaded twice per year	Successfully loaded all data received in April and May 2015 from professional bodies Successfully loaded all data received in October and November 2014 from professional bodies	No	None

Programme 3

National Learners' Records Database

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
26. Number of comprehensive reports on all information in the NLRD	Produced the NLRD Annual Comprehensive Report for 2014/15	**26.1** Produce NLRD Annual Comprehensive Report	Produced the NLRD Annual Comprehensive Report for 2015/16 A total of **1 078 302** learners were added to the NLRD **856 702** qualification achievements were recorded The NLRD contains information on **16 819 020** learners, **13 411 070** achievements and **28 969** qualifications achieved through RPL by **26 379** learners	No	None
	Not a deliverable in 2014/15	**26.2** Produce quarterly reports on learner achievements added to NLRD	Produced quarterly tables on information added to NLRD	No	None
27. Number of trends reports produced every 2nd year	No target for 2014/15 The next Trends Report will be produced in 2015	**27.1** Produce the 4th Trends Report on learners' movement across the South African education and training system	Produced 4th Trends Report	No	None

Programme 3

National Learners' Records Database

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
3.1 Verifications Project					
28. Provide a qualifications verifications service that processes a percentage of applications received	Captured and processed 4 717 batches of records and issued 10 563 transcripts Produced progress reports for each quarter	28.1 100% of applications for verifications received in the financial year are processed (Processed in this context means that all applications received electronically are checked against set information requirements. Those found to be non-compliant are returned to the client. Compliant submissions proceed to the Verification stage. This target measures timeliness of first response against set criteria)	100% of applications for verifications were processed Processed a total of **8 518** batches **355** batches were rejected **8 163** batches moved to the verification stage A total of **72 543** individual records (qualifications) were verified	Yes The actual number of individual records (qualifications) verified ***(72 543***) was also reported	It is not possible to predict how many qualifications will be submitted for verification. We can only therefore commit to processing all requests for verification received. In the interests of our stakeholders, additional information was provided on the number of individual records (qualifications) that were verified
29. Number of reports produced indicating progress with the project	Produced progress reports for each quarter	29.1 Quarterly progress reports (4 reports in total)	Produced (4) quarterly progress reports	No	None

Programme 3

National Learners' Records Database

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
30. Register on misrepresented qualifications developed, approved and maintained	Not a deliverable in 2014/15	30.1 Produce bi-monthly reports on misinformation about national qualifications and local institutions operating outside of the NQF	Produced monthly statistics on misrepresentation Sent 5 reports on statistics to the Minister	Yes 1 less report was submitted	A total of 5 reports were sent to the Minister during the financial year. Since these reports are cumulative, the number of misrepresented qualifications reports as at 31 March 2016, was a true reflection of all qualifications that had been misrepresented to date

National Learners' Records Database

Verifications Project

Programme 4

Foreign Qualifications Evaluation and Advisory Services					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Provide a foreign qualifications Evaluation and Advisory Service	The Board approved the Draft Policy for the Evaluation of Foreign Qualifications within the SA NQF for public comment Published the draft policy in the Government Gazette on 27 March 2015	Implement all the requirements of the NQF Act	Board approved the Policy for the Evaluation of Foreign Qualifications within the SA NQF on 2 December 2015 Published the policy in the Government Gazette on 30 December 2015	Yes Ahead of schedule by ***3*** months	Ahead of schedule by 3 months because of urgency in finalising the policy
	100% of applications were processed. In total SAQA: Received and registered **35 729** applications Declined **3 791** applications Compared and recognised **32 381** qualifications	Support and direct the national and international mobility of lifelong learners, including workers, by facilitating the recognition of their learning	100% of applications were processed In total SAQA: Received and processed **24 942** applications Returned **3 647** non-compliant applications Registered **21 295** applications for evaluation Received further information on **10 446** applications from previous financial years Compared and recognised **23 622** foreign qualifications	Yes Additional information on **10 446** applications from previous financial years were reported Additional information on the number of foreign qualifications that were compared and recognised (**23 622**) was reported	It is not possible to predict how many qualifications will reach the final stage of comparison and recognition in any given year because of the reliance on external partners for information and the reactivation of old applications as new information is provided. In the interests of our stakeholders, additional information was provided on applications re-opened from previous financial years and those that were compared and recognised during the year

Programme 4					
Foreign Qualifications Evaluation and Advisory Services					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Produced a report on qualifications found to be misrepresented in the evaluation of foreign qualifications and included a number of initiatives undertaken to counteract document fraud During the current year, SAQA recorded **454** cases of misrepresented qualifications The initiative to counteract document fraud included the start of establishing a document bank and piloting of the online verification of Certificates of Evaluation initiative	Ensure the credibility, integrity and reliability of information regarding learner achievements by verifying and evaluating the authenticity of documentation and information	Produced report on misrepresented qualifications in the evaluation of foreign qualifications and the number of initiatives undertaken to counteract document fraud During the current year, SAQA recorded **111** cases of misrepresented foreign qualifications, which was included in the report The initiative to improve detection processes include embarking on a pilot project to verify the authenticity of every qualification received for evaluation from 5 selected countries. The countries selected account for about 60% of applications received	No	None

Programme 4					
Foreign Qualifications Evaluation and Advisory Services					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Not a deliverable in 2014/15		Produced monthly statistics on misrepresentation Sent 5 reports on statistics to the Minister	Yes 1 less report was submitted	A total of 5 reports were sent to the Minister during the financial year. Since these reports are cumulative, the number of misrepresented qualifications reports as at 31 March 2016, was a true reflection of all qualifications that had been misrepresented to date

Programme 4					
Foreign Qualifications Evaluation and Advisory Services					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
31. An approved policy framework for the recognition of foreign qualifications in line with the NQF Act implemented	The Board approved the Draft Policy for the Evaluation of Foreign Qualifications within the SA NQF for public comment Published the Draft Policy in the Government Gazette	31.1 Policy framework approved and published	Board approved the Policy for the Evaluation of Foreign Qualifications within the SA NQF on 2 December 2015 Published the policy in the Government Gazette on 30 December 2015	Yes Ahead of schedule by ***3*** months	Owing to the urgency of finalising and implementing the policy in evaluating foreign qualifications

Programme 4

Foreign Qualifications Evaluation and Advisory Services

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
32. Percentage of applications for evaluation of foreign qualifications is processed	100% of applications were processed In total SAQA: Received and registered 35 729 applications Declined 3 791 applications Compared and recognised 32 381 qualifications	32.1 100% of all applications are processed (Processed in this context means that all applications received electronically are checked against set information requirements. Those found to be non-compliant are returned to the client. Compliant submissions proceed to the Verification stage. This target measures timeliness of first response against set criteria)	100% of applications were processed In total SAQA: Received and processed **24 942** applications Returned **3 647** non-compliant applications Registered **21 295** applications for evaluation Received further information on **10 446** applications from previous financial years Compared and recognised **23 622** foreign qualifications	Yes Additional information on **10 446** applications from previous financial years were reported Additional information on the number of foreign qualifications that were compared and recognised (**23 622**) was reported	It is not possible to predict how many qualifications will reach the final stage of comparison and recognition in any given year because of the reliance on external partners for information and the reactivation of old applications as new information is provided. In the interests of our stakeholders, we reported on additional information provided on applications from previous financial years and those that were compared and recognised during the year

Programme 4

Foreign Qualifications Evaluation and Advisory Services

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
33. Report on fraudulent qualifications in the evaluation of foreign qualifications including the number of initiatives undertaken to counteract document fraud	Produced a report on qualifications found to be misrepresented in the evaluation of foreign qualifications and included a number of initiatives undertaken to counteract document fraud During the current year, SAQA recorded 454 cases of misrepresented qualifications The initiative to counteract document fraud included the start of establishing a document bank and piloting of the online verification of Certificates of Evaluation initiative	33.1 Produce annual Trends Report on misinformation about foreign qualifications and steps taken to improve detection processes	Produced report on misrepresented qualifications in the evaluation of foreign qualifications and the number of initiatives undertaken to counteract document fraud During the current year, SAQA recorded **111** cases of misrepresented foreign qualifications, which was included in the report The initiative to improve detection processes include embarking on a pilot project to verify the authenticity of every qualification received for evaluation from 5 selected countries. The countries selected account for about 60% of applications received	No	None

Programme 4

Foreign Qualifications Evaluation and Advisory Services

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
		33.2 Produce bi-monthly reports on misinformation about foreign qualifications	Produced monthly statistics on misrepresentation Sent 5 reports on statistics to the Minister	Yes 1 less report was submitted	A total of 5 reports were sent to the Minister during the financial year. Since these reports are cumulative, the number of misrepresented qualifications reports as at 31 March 2016, was a true reflection of all qualifications that had been misrepresented to date

Foreign Qualifications, Evaluation and Advisory Services

Programme 5

Research					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Facilitate and support the implementation of NQF policies in a simple, coherent and integrated manner; Conduct research on issues of importance to the NQF	Produced final reports on the research partnerships with UWC and Rhodes University	Ensure research credibility to direct and steer policy as well as legislative debates	Produced and approved the Research Partnership Monitoring Report Signed contract with new research partner *(Durban University of Technology)*	No	None
	The NQF Impact Study 2014 report was finalised and approved by the SAQA Board in March 2015		Produced shortened report on NQF Impact Study 2014 Held workshop with stakeholders to discuss report	No	None
	Prepared a draft concept document on SAQA's role in the Ombuds function for further discussion		Produced and approved draft concept document on SAQA's role in Ombuds function	No	None

Programme 5

Research

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
34. Facilitate, maintain, finalise and report on the research partnerships implemented	Produced final reports on the research partnerships with UWC and Rhodes University	34.1 Report produced giving details of research partnerships facilitated, progress with existing partnerships and partnerships concluded	Produced and approved the Research Partnership Monitoring Report	No	None
	Not a deliverable in 2014/15	34.2 Identify and finalise new research partnership	Signed contract with new research partner *(Durban University of Technology)*	No	None
35. NQF Impact Study completed	The NQF Impact Study 2014 report was finalised and approved by the SAQA Board in March 2015	35.1 Finalise shortened report on SAQA/QCs NQF Impact Study 2014	Produced shortened report on NQF Impact Study; and Held workshop with stakeholders to discuss report	No	None
36. Research report on ombuds function	Prepared a draft concept document on SAQA's role in the ombuds function for further discussion	36.1 Final draft of the concept paper on SAQA's role in the Ombuds function completed	Produced and approved Draft Concept document on SAQA's role in Ombuds function	No	None

Programme 6

International Liaison

Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
Ensure effective international collaboration and benchmarking	Published the Glossary of Terms (NQF*pedia*) online and in hard copy Completed the UNESCO research report on *World Reference Levels*	Report on international regulatory and policy debates	Produced article based on the Addis Convention that focused on the mutual recognition of qualifications Produced article on *Good Practice Guidelines for Learning not Leading to a Qualification or Part-Qualification* Published both articles in Business Brief	No	None
	Produced and published 2 research bulletins dealing with the Recognition of Prior Learning (RPL) and Credit Accumulation and Transfer (CAT) (Both bulletins include articles on international trends)		Produced and distributed SAQA Bulletin Included two articles on international trends	No	None

Programme 6

International Liaison					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	Completed the benchmarking exercise with Malaysia and produced a report on the findings	Ensure research credibility to direct and steer policy as well as legislative debates, including workers, by facilitating the recognition of their learning	Completed revision of the *Malaysian Benchmarking* report	No	None
	We participated in: The Ethiopia International NQF Conference in June 2014 The Experts meeting on Recognition of Studies in Higher Education held in July 2014 *UNESCO World Reference Levels of Learning Outcomes* meeting in September 2014 The *UNEVOC Global TVET Forum* on 13 and 14 October 2014 The Conference of States for the re-launch of the Revised Arusha Convention on 11 and 12 December 2014 as part of the official South African delegation		We participated in: Study visit to Turkey *Groningen Declaration Network (GDN)* meeting in Malaga *UNESCO Informal Working Group on Addis Convention* *Pan African Quality Assurance Accreditation* conference in Ghana *UNESCO Committee of Experts on Developing the Global Convention*	Yes We exceeded the target by ***3*** forums	The target was exceeded because we received invitations which allowed us to move faster than we initially anticipated

Programme 6

International Liaison

Strategic Objective	Actual Achievement 2014/15	Planned Strategic Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
	Published the report on *Professional Teacher Standards* for the Commonwealth		Completed and submitted the research report on trends related to the *National Standards for Teachers and School Leaders* to the Commonwealth Secretariat	No	None
	Hosted a workshop on the use of level descriptors in February 2015		Hosted a workshop with NQF family on the Addis Convention Hosted a seminar on *Professional standards for Teachers and School Leaders: A review of developments in South Africa*	Yes Exceeded target by ***1*** workshop	The target was exceeded because we were requested by the DHET to host the additional Addis Convention workshop
	Developed / reviewed the following guidelines / policies: *Guidelines for Good Practice on Learning that does not Lead to a Qualification or Part-Qualification* was approved by the SAQA Board and published in the Government Gazette for public comment at the end of this financial period		Received public comment and engaged with stakeholders on the *Guidelines for Good Practice on Learning that does not Lead to a Qualification or Part-Qualification*	No	None

Programme 6

International Liaison					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
	The *Credit Accumulation and Transfer (CAT) Policy* *National Policy and Criteria for Designing and Implementing Assessment for NQF Qualifications and Part-Qualifications and Professional Designations in SA* was approved and published in the Government Gazette in December 2014				
	The 3rd intake has 4 SAQA staff members registered as learners This target was not achieved owing to SAQA's operational workload, which did not allow for a 5th staff member to be away from work for any length of time 3 staff members graduated The 4th member did not finish the course as she resigned form SAQA	This deliverable was not a planned target for 2015/16	-	-	-

Programme 6

International Liaison

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
37. Two documents produced informing NQF partners and other stakeholders about international best practice	Published the Glossary of Terms (NQFpedia) online and in hard copy Completed the UNESCO research report on *World Reference Levels*	37.1 Produce two documents on international best practice	Produced an article based on the Addis Convention that focused on the mutual recognition of qualifications Produced article on *Good Practice Guidelines for Learning not leading to a Qualification or Part-Qualification* Published both articles in Business Brief	No	None
38. Number of SAQA bulletins produced which include at least 2 articles on international trends	Produced and published 2 research bulletins dealing with the Recognition of Prior Learning (RPL) and Credit Accumulation and Transfer (CAT) (Both bulletins include articles on international trends)	38.1 Produce one SAQA bulletin which includes at least 2 articles on international trends	Produced and distributed SAQA bulletin Included two articles on international trends	No	None
39. Number of benchmarking reports produced or benchmarking workshops held	Completed the benchmarking exercise with Malaysia and produced a report on the findings	39.1 One benchmarking report produced	Completed the revision of the *Malaysian Benchmarking* report	No	None

Programme 6

International Liaison

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
40. Number of international forums participated in so as to share best practice	SAQA participated in: The Ethiopia International NQF Conference in June 2014 The Experts meeting on *Recognition of Studies in Higher Education* held in July 2014; *UNESCO World Reference Levels of Learning Outcomes* meeting in September 2014; The *UNEVOC Global TVET Forum* on 13 and 14 October 2014 The Conference of States for the re-launch of the Revised Arusha Convention on 11 and 12 December 2014 as part of the official South African delegation	40.1 Two forums attended	SAQA participated in: Study visit to Ankara, Turkey *Groningen Declaration Network* (GDN) meeting in Malaga *UNESCO Informal Working Group on Addis Convention* *Pan African Quality Assurance Accreditation Conference* in Ghana *UNESCO Committee of Experts on Developing the Global Convention*	Yes We exceeded the target by ***3*** forums	The target was exceeded because we received invitations which allowed us to move faster than we initially anticipated

Programme 6

International Liaison

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
41. Number of trends analyses conducted on international developments	SAQA published the report on *Professional Teacher Standards* for the Commonwealth	41.1 One report produced	Completed and submitted research report on trends related to national standards for teachers and school leaders to Commonwealth Secretariat	No	None
42. Number of workshops or seminars hosted to inform stakeholders about relevant international development	SAQA hosted a workshop on the use of level descriptors in February 2015	42.1 One stakeholder workshop held	Hosted workshop with NQF family on Addis Convention Hosted seminar on *Professional Standards for Teachers and School Leaders: A review of developments in South Africa*	Yes Exceeded target by ***1*** workshop	The target was exceeded because we were requested by the DHET to host the additional Addis Convention workshop

Programme 6

International Liaison

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
43. Number of approved guidelines or policies developed or reviewed	SAQA developed / reviewed the following guidelines / policies: *Guidelines for Good Practice on Learning that does not Lead to a Qualification or Part-Qualification* was approved by the SAQA Board and published in the Government Gazette for public comment at the end of this financial period The *Credit Accumulation and Transfer (CAT) Policy* and *National Policy; and Criteria for Designing and Implementing Assessment for NQF Qualifications and Part-Qualifications and Professional Designations in SA* were approved and published in the Government Gazette in December 2014	43.1 One guideline produced	Received public comment and engaged with stakeholders on the *Guidelines for Good Practice on Learning that does not Lead to a Qualification or Part-Qualification*	No	None

Programme 6

International Liaison

Performance Indicator	Actual Achievement 2014/15	Planned Annual Target 2015/16	Actual Achievement 2015/16	Deviation from Planned Target to Actual Achievement for 2015/16	Comment on Deviation
44. Number of learners on the Lifelong Learning and the NQF course that are SAQA staff members	The 3rd intake had 4 SAQA staff members registered as learners This target was not achieved owing to SAQA's operational workload, which did not allow for a 5th staff member to be away from work for any length of time	Not a target in 2015/16	-	-	-

Research

Directorate presentation at mid-term review

The following project moved to DHET on 1 October 2014

Career Advice Services					
Strategic Objective	**Actual Achievement 2014/15**	**Planned Strategic Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
Provide bold and competent leadership in the implementation of the NQF Act to the advantage of lifelong learners	Achieved and handed over to DHET: Carried out the activities of the task team as mandated by the Minister: HET until the CDS Project was handed over to DHET on 1 October 2015 Produced a Handover Report SAQA resolved a total of 32 090 enquiries for the 2 quarters in 2014	-	Not a deliverable in 2015/16	-	-

Career Advice Services					
Performance Indicator	**Actual Achievement 2014/15**	**Planned Annual Target 2015/16**	**Actual Achievement 2015/16**	**Deviation from Planned Target to Actual Achievement for 2015/16**	**Comment on Deviation**
45. Provide a Career Development Service (CDS) as mandated by the Minister of Higher Education and Training	Achieved and handed over to DHET: Carried out the activities of the task team as mandated by the Minister: HET until the CDS Project was handed over to DHET on 1 October 2015 Produced a Handover Report	-	-	No	None
46. Percentage of cases provided with information and advice on the NQF and careers by phone, email, SMS and face-to-face	SAQA resolved a total of 32 090 enquiries for the 2 quarters in 2014	-	-		

6. SUMMARY OF FINANCIAL INFORMATION

6.1 Revenue Collection

	2015/2016			2014/2015		
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
Government Grant	54 757	54 757	-	55 008	55 008	-
Evaluation Fees - DFQEAS	29 000	21 852	7 148	22 500	22 356	144
Verifications Fee income	6 500	8 485	(1 985)	5 000	4 064	936
Career Advice Services project - NSF funding	-	-	-	24 227	25 510	(1 283)
Interest Received	1 650	1 981	(331)	1 500	2 161	(661)
Rental Income	1 200	1 259	(59)	1 800	1 177	623
Sundry Income	4 200	3 523	677	7 420	4 984	2 436
Total	**97 307**	**91 857**	**5 450**	**117 455**	**115 260**	**2 195**

SUMMARY OF FINANCIAL INFORMATION CONTINUED

6.2 Programme Expenditure

	2015/2016			2014/2015		
Programme and Sub-Programme Name	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration & Support						
1.1 Executive Office	8 476	8 398	78	8 811	7 588	1 223
1.2 Finance & Administration	16 465	16 382	83	17 514	14 365	3 149
1.3 Human Resources	5 780	4 317	1 463	6 187	6 586	(399)
1.4 Information Technology	10 221	9 960	261	10 125	8 839	1 286
1.5 Advocacy & Communication Support	11 127	10 868	259	10 643	11 571	(928)
2. Directorate Recognition and Registration	9 088	7 625	1 463	9 930	6 989	2 941
3. National Learners' Records Database including Verifications Project	13 701	12 091	1 610	11 203	10 013	1 190
4. Directorate Foreign Qualifications Evaluation and Advisory Services (DFQEAS)	24 723	23 825	898	22 048	19 895	2 153
5. Career Advice Services	-	-	-	22 267	23 844	(1 577)
6. Research	5 091	3 034	2 057	4 807	3 910	897
7. International Liaison	2 135	2 272	(137)	2 520	1 197	1 323
Total	**106 807**	**98 772**	**8 035**	**126 055**	**114 797**	**11 258**

SUMMARY OF FINANCIAL INFORMATION CONTINUED

6.3 Capital Expenditure

	2015/2016			2014/2015		
Capital Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Land and Buildings	1 800	995	805	3 196	1 107	2 089
IT Equipment	1 270	1 203	67	1 830	1 991	(161)
Motor Vehicles	-		-	170	158	12
Furniture and Fixtures	350	392	(42)	780	736	44
Intangible Assets	-	1 112	(1 112)	-	132	(132)
Total	**3 420**	**3 702**	**(282)**	**5 976**	**4 124**	**1 852**

YEARS

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1. INTRODUCTION

As a public entity, SAQA is bound by the precepts of the PFMA. Furthermore, the SAQA Board is committed to the principles of openness, integrity, efficiency, accountability and compliance as reflected in the King Code of Governance Principles 2009 (King III). Our continuous work towards improving our already sound governance processes is evident in the unbroken record of unqualified audit reports that SAQA has received over its 19 years of existence.

In keeping with the provisions of King III, SAQA has in place a Governance Manual, which deals with the activities of the Board and Board Committees (the Rules of Procedure, Terms of Reference and other relevant governance matters).

Owing to the term of office of the 5th Board ending on 31 December 2015, interim committees were appointed by the Acting Accounting Authority to assist in fulfilling the governance vacuum left by the delay in the appointment of the 6th Board. This meant that the Board and Committees did not complete the usual self-assessments to measure their effectiveness and performance. Instead, the 5th Board and each of the Committees produced a Handover Report, which served the dual purpose of conducting a self-assessment of their work and providing the new Board and Committees with background and into their work.

The Portfolio Committee on Education and Training, The Minister: HET and the SAQA Board are responsible for ensuring that SAQA subscribes to good corporate governance.

2. PORTFOLIO COMMITTEE

SAQA reported to the Portfolio Committee on Higher Education and Training once in the last financial year.

We presented our Annual Integrated Report for 2014/15 to the Portfolio Committee on 13 October 2015. Apart from reporting on our performance, we also reported on governance, our environmental sustainability initiatives, and communication with our stakeholders. We were also pleased to report that we received an unqualified audit report for 2014/15 and a clean audit report for 2013/14. Of concern was the timing of the appointment of the new Board as the term of office of the 5th Board would end on 31 December 2015.

The Portfolio Committee sought clarity and greater understanding about the work of SAQA. The discussions covered questions on publishing a Register of Misrepresented Qualifications and the implications thereof, the learner records and providers that were captured on the National Learners' Records Database, the international comparability of qualifications registered by SAQA, the nature of foreign qualifications that were evaluated, and SAQA's advocacy strategy. Two issues about SAQA's actual performance were raised. Firstly, the Portfolio Committee wanted to know why SAQA received an unqualified audit report instead of a clean audit report (like in the previous year). The second issue related to staff matters (succession planning, the awarding of performance bonuses and an explanation of why three staff members had resigned). The Committee was satisfied with the responses given.

"The Chairperson thanked SAQA for its presentation and commended it on reaching most of its targets, and also congratulated the officials for their renewed commitment to efficient policy implementation." *Extract of the Minutes of the Portfolio Committee of 13 October 2015.*

A second meeting with the Portfolio Committee that involved a discussion on the Strategic Plan for 2015-2020 and the Annual Performance Plan for 2016/17 took place on 6 April 2016, which fell outside of the reporting period.

3. EXECUTIVE AUTHORITY

The Board did not meet with the Minister: HET during this reporting period. The term of office of the 5th Board ended on 31 December 2015. The Minister: HET appointed the new Board towards the end of February 2016. The appointment was retrospective to 1 January 2016.

The Minister approved SAQA's Strategic Plan 2015–2020, Annual Performance Plan 2015/16 and Budget 2015/16 on 26 March 2015. He approved the amendment to the Annual Performance Plan on 2 December 2015. Quarterly progress reports against these plans were submitted to the Minister on the last working days of July and October 2015, and January and April 2016. SAQA also sent the Minister our comments on the draft Ministerial Guidelines for 2016/17 on 5 February 2016.

A progress report on the implementation of the Ministerial Guidelines 2014/15 was sent to the Minister on 6 May 2015. SAQA had made significant progress on all deliverables and had even completed some of the work. The Ministerial Guidelines for 2015/16 were published on 15 May 2015. SAQA responded to to the Minister on its thoughts and concerns about the Ministerial Guidelines on 20 August 2015. Despite the late publication of the Guidelines, all of its stated deliverables that did not significantly impact on SAQA's budget were addressed.

The Minister published a draft RPL Policy on 6 July 2015 for public comment. SAQA comment and SAQA provided comments on the draft Policy on 2 September 2015. The RPL Policy was published at the end of the financial year.

On 30 April 2015, SAQA submitted to the Minister, a summary report on the findings and recommendations from the NQF Impact Study that was concluded at the end of the previous financial year. This report provided a wealth of information about the education and training sector.

SAQA, in collaboration with the Financial Planning Institute, a recognised professional body, conducted research into continuing professional development. The findings of the study were sent to the Minister on 22 October 2015 for his information.

The Minister requested SAQA to investigate the possibility of establishing a fraud register. SAQA sought legal advice and advised the Minister of its findings. In preparation for reporting on misrepresented and fraudulent qualifications, a task team led by SAQA and comprising members of the QCs, DHET and the DBE, drafted a Policy on Misrepresented Qualifications. This draft policy will be sent to the Minister for further action. It was evident that the NQF Act needed to be amended to accommodate public reporting of misrepresented and fraudulent qualifications. The DHET is leading a process to amend relevant sections of the Act.

SAQA also provided bi-monthly reports to the Minister on the number of national and foreign qualifications that had been misrepresented.

4. THE SAQA BOARD

4.1 Introduction

In accordance with Section 14 (3)(a) of the NQF Act, the Minister of Higher Education and Training , following a public nomination process, appointed the 5th SAQA Board effective from 1 January 2011 until 31 December 2015. He appointed the 6th SAQA Board, effective from 1 January 2016. With the exception of the CEO, all Board members are independent non-executives.

4.2 Functions of the SAQA Board

The functions of the Board are set out in sections 5(3), 11 and 13 of the NQF Act. In summary, the SAQA Board:

- Must advise the Minister: HET and decision makers on NQF matters, oversee the implementation of the NQF and liaise and consult with the QCs on matters relating to the implementation of the NQF;
- Is mandated to develop policies and criteria for the development and registration of qualifications, assessment, RPL and CAT, recognising a professional body and registering a professional designation and the development and maintenance of the content of level descriptors;
- Is required to ensure that South African qualifications are of an acceptable quality and are internationally comparable;
- Is also required to maintain a NLRD and to provide an evaluation and advisory service with respect to foreign qualifications; and
- Is further responsible for conducting or commissioning research into NQF-related matters, to collaborate with international counterparts and to initiate and drive a clear, co-ordinated communication and advocacy strategy to assist providers, learners and the public at large to understand the new NQF architecture and the implications of the changes for them.

SAQA is a National Public Entity that is listed under Schedule 3(A) of the PFMA. In addition to the responsibilities set out in the NQF Act, the Board also fulfils the role of the Accounting Authority in terms of section 49 of the PFMA.

As the Accounting Authority, the Board acts in a fiduciary capacity and must ensure that:

- Effective, efficient and transparent systems of financial and risk management, internal control, internal audit and procurement are in place;
- Effective and appropriate steps are taken to collect revenue due and to prevent irregular, fruitless and wasteful expenditure and losses from criminal conduct and expenditure as a result of non-compliance with operational policies;
- Effective and efficient management is in place, which includes ensuring the safeguarding of the assets of SAQA and controlling its liabilities, revenues and expenditures;
- Applicable legislation and regulations are complied with;

- An effective and appropriate disciplinary system is in place to deal with failures to comply with the PFMA and the internal control systems;
  - Budgets, major contracts and other commitments are approved;
  - The finances are properly controlled; and
  - SAQA operates as an ethical organisation.

The SAQA Board sets strategy and policy. Management formulates strategy and proposes policy for the SAQA Board to consider and approve. Management implements the decisions made by the SAQA Board and maintains systems of internal control as well as accounting and information systems. The Board monitors the performance of management.

4.3 Board Composition

The SAQA Board is appointed by the Minister: HET. The Board comprises 16 members. Twelve members are appointed in their individual capacities and four members (the CEOs of SAQA, Umalusi, the CHE and QCTO) are appointed by virtue of their positions. Of the 12 members appointed, at least two members must be from organised labour.

The Minister makes the appointments after careful consideration of nominations received from the public.

The term of office of the 5th Board ended on 31 December 2015. The 6th Board was appointed on 22 February 2016 for the period from 1 January 2016 to 31 December 2020. In terms of section 49(2) (b) of the PFMA, the Accounting Officer (CEO) assumes the role of Acting Accounting Authority for the interim period. The CEO therefore served as the Acting Accounting Authority, in addition to being the Accounting Officer, until the appointment of the 6th Board.

4.4 Activities of the SAQA Board and its Committees

During the year under review, the 5th SAQA Board met three times to conduct its work. The 6th Board met once and also held a strategy workshop to plan for 2017/18.

In addition to the members, the Deputy CEO and Financial Director attended all Board meetings while Directors attended meetings as required.

Section 16(1) of the NQF Act allows the Board to establish committees to assist in the execution of its fiduciary responsibilities. During the interim period, the Acting Accounting Authority appointed interim committees to continue with the work of SAQA. Committee members appointed by the 5th Board were invited to serve on the respective interim committees.

The table below reflects the structure of committees utilised by the SAQA Board:

COMMITTEE	CHAIRPERSON (5TH Board)	CHAIRPERSON (6TH Board)
Executive (EXCO)	Mr MJN Njeke	Dr V Toni Penxa
Remuneration and Human Resources	Mr MJN Njeke	Dr V Toni Penxa
Audit and Risk	Mr M Brown	Mr M Brown
Finance	Mr MJN Njeke	Dr V Toni Penxa
Qualifications and Standards (Q & S)	Ms S Müller	Ms N Starr
Information and Information Technology (I & IT)	Mr D Adler	Ms PLF Nzimande
Foreign Qualifications	Adv. KS Malunga	Prof JO Kuye
Research	Prof TG Schultz	Prof TG Schultz
**Professional Bodies Appeals	-	Ms N Starr
*Foreign Qualifications Appeals	Adv. KS Malunga	Prof JO Kuye
Advocacy and Communication	Mr JS Samuels	Mr JS Samuels

*Under the leadership of the 6th Board, the Foreign Qualifications Appeals Committee will amend its Terms of Reference to include appeals from national qualification holders as well.

** The Professional Bodies Appeals Committee is a new structure that was approved by the 5th Board and created under the 6th Board.

Attendance by members of the 5th SAQA Board and their respective Board Committee meetings were as follows:

Title	Surname	Initials	Qualifications and Standards	I & IT	Foreign Qualifications Appeals	Advocacy and Communication	Foreign Qualifications	Research	Remuneration And Human Resources	Finance	Audit and Risk	EXCO	Board
Mr	Adler	D		3/3	2/2	3/3	3/3		3/4	5/5	4/4	3/3	3/3
Prof	Baijnath	N*											1/2
Dr	Barnes	CF					0/3						1/3
Ms	Duba	CT		2/3									2/3
Ms	Maboye	M											2/3
Adv.	Malunga	KS			1/2		2/3		2/4		3/4	2/3	3/3

Title	Surname	Initials	Qualifications and Standards	I & IT	Foreign Qualifications Appeals	Advocacy and Communication	Foreign Qualifications	Research	Remuneration And Human Resources	Finance	Audit and Risk	EXCO	Board
Ms	Mashabela	GJ											3/3
Mr	Mokonane	A	*4/5										2/3
Ms	Moodley	ND				*4/4							3/3
Ms	Müller	CS	*5/5						3/4			*3/4	3/3
Mr	Njeke	MJN							3/4	2/5		2/3	3/3
Dr	Rakometsi	M											3/3
Mr	Samuels	JS		*2/4	2/2	*3/4	*4/4	3/3		*5/6		*4/4	3/3
Prof	Schultz	TG						3/3	4/4			*4/4	3/3
Mr	Sipuka	O				1/4			3/4			4/4	1/3
Dr	Toni Penxa	V	*4/4					3/3	4/4			3/3	3/3
Dr	Webbstock	D											1/1

Notes:

- Prof. Baijnath was appointed to the SAQA Board by virtue of his position as CEO of the Council on Higher Education (CHE). He was appointed to his position on 1 October 2015. Dr Webbstock was the acting CEO of the CHE prior to this and therefore attended the first Board meeting.
- The term of office of the 5th Board ended on 31 December 2015. The 6th Board was appointed on 22 February 2016 for the period 1 January 2016–31 December 2020.
- * Indicates that this member was also a member of the respective Interim Committee

Attendance of Board meetings by members of the 6th SAQA Board and their respective appointments to Board Committees were as follows:

Title	Surname	Initials	Qualifications and Standards	I & IT	Professional Bodies Appeals	National & Foreign Qualifications Appeals	Advocacy and Communication	National & Foreign Qualifications	Research	Remuneration And Human Resources	Finance	Audit and Risk	EXCO	Board
Prof	Baijnath	N												0/2
Dr	Bhikha	SD	✓		✓									2/2
Mr	De Klerk	EW					✓					✓		2/2
Mr	Gantile	BM		✓										2/2
Prof	Howie	SJ	✓						✓	✓			✓	2/2
Prof	Kuye	JO	✓			✓		✓		✓			✓	2/2
Mr	Louw	GC					✓							2/2
Mr	Maleka	M					✓				✓			2/2
Ms	Mashabela	GJ												2/2
Ms	Nzimande	PLF		✓						✓		✓	✓	2/2
Ms	Oberholzer	AK				✓		✓						2/2
Dr	Rakometsi	M												2/2
Mr	Samuels	JS		✓	✓	✓	✓	✓	✓		✓		✓	2/2
Prof	Schultz	TG	✓						✓	✓	✓		✓	2/2
Ms	Starr	N	✓		✓					✓			✓	1/2
Dr	Toni Penxa	V								✓	✓		✓	2/2

Notes:

- The 6th Board met for the first time on 10 and 11 March 2016 and appointed members to the respective committees.
- None of the newly constituted committees met in this financial year.

In accordance with section 16(2) of the NQF Act, persons who are not members of the Board were co-opted to serve on Board Committees. Attendance by co-opted members of the committees set up by the 5th Board was as follows:

Title	Surname	Initials	Qualifications and Standards	I & IT	Advocacy and Communication	Foreign Qualifications Appeals	Foreign Qualifications	Research	Finance	Audit and Risk
Mr	Brown	M							5/5	*5/5
Prof	Clayton	PG		*3/4						
Prof	Cooke	JA	*0/5							
Mr	Chanza	E					3/3			
Ms	Chinje	N			*2/4					
Mr	Fisher	S		*2/4						*4/5
Ms	Fordyce	A			*3/4					
Ms	Gray	E		3/3						
Mr	Hall	K	*4/5	*4/4						
Prof	Kuye	JO								
Mr	Leso	L			2/2					
Ms	Mabaso	Z								
Ms	Magongoa	B		1/3						
Mr	Makhaga	N					2/3			
Mr	Mkhondo	B		0/3						
Mr	Mockler	KG	*5/5							3/4
Mr	Moloisane	J				1/2	*2/4			
Mr	Nepfumbada	MP								*4/5
Mr	Oosthuizen	MJ		*3/4						
Mr	Ori	S	*4/5							
Prof	Pendlebury	S						2/3		
Prof	Potgieter	C						0/3		
Dr	Pretorius	JA		*3/4						
Mr	Ramotse	TP			2/2					
Dr	Reddy	J			**1/1				*6/6	
Dr	Samuels	L					2/3			
Prof	Sehoole	MT						1/3		
Ms	Starr	N	*4/5							
Ms	Tabata	T							1/5	

Title	Surname	Initials	Qualifications and Standards	I & IT	Advocacy and Communication	Foreign Qualifications Appeals	Foreign Qualifications	Research	Finance	Audit and Risk
Ms	Travern	Y					*3/4			
Ms	Vieira	A							*6/6	4/4
Prof	Walters	S						3/3		

Notes

- The term of office of all Committee members ended on 31 December 2015.
- During the interim period of 1 January until the appointment of the 6th Board on 22 February 2016, Interim Committees were appointed by the Acting Accounting Authority.
- * represents attendance by the member of the respective Interim Committee meeting.
- Mr Leso resigned on 8 August 2015 and was replaced by Mr Ramotse on 11 November 2015 as the GCIS representative on the Advocacy and Communications Committee
- Dr L. Samuels was appointed to the Foreign Qualifications Committee on 1 October 2015.
- Ms Travern attended the Foreign Qualifications Committee meetings by invitation.
- ** Dr Reddy represented Mr JS Samuels at one Advocacy and Communications meeting

All Board committees operated within approved Terms of Reference that is described in SAQA's Governance Manual. Apart from the members, the Deputy CEO and relevant Directors also attended meetings of Board Committees.

The 6th Board appointed members to the different committees at its inaugural meeting on 11 March 2016. The following members were appointed to the various committees.

Title	Surname	Initials	Qualifications and Standards	I & IT	Advocacy and Communication	National & Foreign Qualifications	Research	Finance	Audit and Risk
Mr	Adler	D		✓		✓			
Mr	Baleni	Z					✓		
Mr	Brown	M						✓	✓
Ms	Buchler	M					✓		
Prof	Clayton	PG		✓					
Mr	Chanza	E				✓			
Ms	Chinje	N			✓				
Mr	Fisher	S		✓					✓
Ms	Fordyce	A			✓				
Ms	Gray	E		✓					
Mr	Hall	K	✓						
Dr	Mahlathi	P					✓		
Mr	Makhaga	N				✓			
Mr	Mockler	KG	✓						✓
Mr	Moloisane	J				✓			
Ms	Müller	CS	✓						
Mr	Nepfumbada	MP							✓
Dr	Nkonki	V					✓		
Mr	Oosthuizen	MJ		✓					
Mr	Ori	S	✓						
Prof	Pendlebury	S					✓		
Dr	Pretorius	JA		✓					
Mr	Ramotse	TP			✓				
Dr	Reddy	J						✓	
Dr	Samuels	L				✓			
Ms	Travern	Y				✓			
Ms	Vieira	A						✓	
Prof	Walters	S					✓		

5 RISK MANAGEMENT

There is no opportunity without risk. We have the right structures in place to identify, monitor and manage our risks effectively. Risk is managed at three distinct levels in the organisation – the line managers at operational level, oversight by the governance structures and assurance by third parties.

5.1 Key Developments in the Year

SAQA management identified risks that would affect the implementation of the Annual Performance Plan for the year. Risk mitigation plans were categorised as follows:

- Risks related to SAQA's leadership role;
- Risks related to staff development;
- Risks related to the public positioning of SAQA; and
- Risks of a governance nature.

By actively managing the mitigation plans and implementing mitigation strategies, we were pleased with our success in decreasing the risk profile of some risks and achieving our targets for the year.

5.2 Risk Management Process

The SAQA Board, in the execution of its fiduciary duties, and in compliance with sections 50(a) and 51(c) of the PFMA, ensures that a detailed Risk Management Plan is developed annually. This Plan includes strategies to mitigate identified risks. The Risk Management Plan includes identified strategic and operational risks, and is structured per Directorate.

STEP 1: Identify and define risks	STEP 2: Assess and rate the risks	STEP 3: Monitor and report on risks
Directorate identifies and defines strategic and operational risks	▪ Risks are rated according to likelihood of occurring and impact if they do occur, on a scale of 1 (low likelihood / impact) to 5 (very strong likelihood / great impact). The risk rating is the product of the likelihood and impact scores. ▪ Risk ratings of 1-8: managed through routine operations; Risk ratings of 9-15: staff member assigned to manage risk; Risk ratings of 16-25: Specific action plans are developed to mitigate against these risks. Action Plans are incorporated into Directorate Operational Plans. ▪ Directorate risks (irrespective of risk ratings) are collated into Organisational Risk Register ▪ Risks of ratings between 16 and 25 are collated into Prioritised Risk Register	▪ Management Risk Committee comprising the CEO, DCEO and Directors: Reviews Risk Register quarterly; submits Register to the Audit & Risk Committee annually; assesses risks with ratings of 16-25 quarterly by reviewing impact of mitigation strategies and making adjustments where necessary to the risk ratings and mitigation strategies; and identifies new areas of risk ▪ Audit & Risk Committee recommends the Risk Register (Plan) to the Board for approval annually; ensures on a quarterly basis that the risk assessment and management procedures followed, are satisfactory; and reports progress to the board quarterly. ▪ Board and Portfolio Committee monitor high level risks, especially those relating to sustainability of SAQA

Figure 20: SAQA's Risk Management Process

5.3 Major Strategic Risks

Risk	Context	Mitigation:	
		Mitigation strategy	Our successes
Prioritised risk relating to SAQA's Leadership role			
SAQA does not apply the Policy and Criteria for the Recognition of Professional Bodies and the Registration of Professional Designations consistently	▪ The different policies' requirements such as RPL that impacts on the assessment of a professional body against the set criteria, is not interpreted in the same way across the staffing resources and committee structures	▪ We have: ▪ Put in place measures to ensure that staff working in this area and members of the Q&S Committee have a similar understanding of the key policies impacting on the recognition of professional bodies	▪ Prior to presenting professional bodies for recognition to the Q&S Committee, we highlight how the various policies impacting on recognition have been addressed ▪ We arranged internal workshops to ensure that there is common understanding in interpreting the policies that impact on professional bodies' recognition
Prioritised risk relating to staff development			
The loss of skilled staff members or contracted individuals that have specialised on SAQA systems And Lack of specialist expertise for the NQF Advisory Service	▪ SAQA has specialised applications unique to our environment ▪ The loss of skilled staff members or contracted individuals that have specialised on SAQA systems has serious consequences for service delivery ▪ Similarly, in the NQF Advisory Services environment, there is no specialist capacity to develop, manage and maintain the IT resources required for self-help online options and content management tools	We must: ▪ Outsource specialised IT functions ▪ Prioritise the acquisition of required capacity for IT resources ▪ Plan and set aside time for staff to gain the necessary training and insight in the NQF Advisory Service to manage the online tools	We have: ▪ Identified highly specialised functions and possible service providers ▪ Identified and contracted service providers to cover specialised services required by SAQA ▪ Managed service provider contracts carefully ▪ Analysed the needs of the NQF Advisory Service and planned accordingly to ensure that existing staff are able to maintain an acceptable level of service

Risk	Context	Mitigation:	
		Mitigation strategy	Our successes
Prioritised risk relating to public positioning of SAQA			
Expectations and specific needs of target audiences cannot be met due to limited resources for advocacy and communications activities	▪ Reaching the 50 million South Africans as required by the NQF Act requires a multi-million rand initiative ▪ SAQA does not have the funding for this initiative	We must: ▪ Utilise appropriate forums to communicate and create support for NQF Advocacy ▪ Establish partnerships with relevant bodies to collaborate on promoting the NQF to mutually identified audiences	We have: ▪ Implemented the Integrated Communication Strategy (ICS) in line with agreed timeframes and cost constraints; and ▪ Entered into a partnership with the Financial Planning Institute to promote the NQF
Prioritised risk of a governance nature			
Reputational risk in not meeting the agreed deadlines for verification of qualifications	We are experiencing a reputational risk as we may not be able to meet the required deadlines for verification of qualifications. This risk emanates from: ▪ Volume of work ▪ Lack of capacity ▪ Insufficient resources ▪ Increased demand for services ▪ Staff complement present, but necessary skills must be built ▪ Difficulty in locating some of the information partners (e.g. due to closure) ▪ Lack of cooperation by some information partners	We must: ▪ Manage the expectations of the Minister of Public Service and Administration and government departments ▪ Negotiate realistic timeframes and agree on dates, as per the fee structure that includes specific priority rates ▪ Ensure adequate resources for the Verifications Project ▪ Utilise all resources possible for locating the relevant information partners or their archived information ▪ Liaise with the information partners frequently ▪ Ensure that the information partners receive acknowledgement of their responses and efforts	We have: ▪ Capacitated the Verifications Project with a Project Manager who has instilled renewed energy and direction into the project ▪ Managed to upload substantial information from Umalusi, Kha Ri Gude, HEMIS and SANC to the NLRD ▪ Fully staffed the Verifications Project and are continuously training the appointed staff to build the required skills levels ▪ Been in daily contact with the major information partners to ensure quality feedback and that problems are identified early and escalated when needed

6 INTERNAL AUDIT AND AUDIT COMMITTEES

Based on the nature and size of the staff complement, the SAQA Board deemed it inappropriate to establish an in-house internal audit function. The internal audit function was outsourced to Outsourced Risk and Compliance Assessment (ORCA). The Audit and Risk Committee reviewed the work of ORCA, while it continued to revisit and assess the need to establish an internal audit function. The composition of the Audit and Risk Committee is shown under section 4.4.

7 COMPLIANCE WITH LAWS AND REGULATIONS

As in previous financial years, we maintained a list of the major legislation, codes and rules that SAQA must comply with, as well as additional rules, codes and standards that the Board subscribed to. We provided confirmation of compliance to the Audit and Risk Committee and the Board. Furthermore, the Auditor-General tests compliance to laws and regulations during the annual audit.

8 FRAUD AND CORRUPTION

SAQA maintained its internal policies on Fraud Prevention and Detection as well as on Fraud Reporting during the year. The policy makes allowance for whistle-blowing and anonymous reporting. The CEO is required to report all cases of fraud and corruption to the Board. There were no reported instances of fraud and corruption during the financial year.

9 MINIMISING CONFLICTS OF INTEREST

SAQA has a multi-level system of approval for all purchases which removes the bias and prevents any manipulation of the system. For all purchases between R2 000 and R20 000, three quotations are required to be sourced. Purchases from R20 000 up to R100 000 require the approval of the DCEO. All purchases above R100 000 follow the tender process. The CEO can approve purchases up to R1 million. The Finance Committee approves purchases above R1 million.

All adjudicators of tenders, members of the Board and Committees are requested to declare conflicts of interest at the start of each meeting. During the adjudication of the tender for the internal auditor, one member recused herself from the evaluation panel because the organisation that she was employed by was one of the companies that submitted a tender.

10 CODE OF CONDUCT

We choose to be an ethical organisation, both internally and in our external interactions. Our code of ethics and our client services standards inform our business principles and provide guidance to employees on their application.

The SAQA Code of Ethics, which forms part of our Governance Manual, was last reviewed in March 2015, and found to be still relevant.

Staff members pledge to uphold the Code of Ethics when they join SAQA. During the year, we continued to actively manage the quality of service provided by our staff. We implemented our Client Service Standards, and reviewed and discussed client compliments and complaints at the weekly Executive Management meetings.

11 SUSTAINABILITY REPORT

11.1 Economic Viability

Economic sustainability in the public sector generally refers to "the ability of government to meet its service delivery and financial commitments, both now and in the future".

For SAQA, this is an important consideration as we are, to a large extent, dependent on government grant funding. Given our funding challenges, we continued our efforts to reprioritise and curb costs to more effectively use the government grant to deliver optimally on our functions, as mandated by the NQF Act.

SAQA supplements its government funding allocation by charging for certain services. We have implemented a fee model that enables us to recover the costs plus a five percent margin on some of the services that we render. We also secured additional funding for the verification of national qualifications project. Funding was sought and approved from Tirelo Bosha, specifically for the digitisation of pre-1992 Senior Certificate ans teacher achievement records. Going forward, we will continue to seek additional funding for the digitisation of the remaining records and the strengthening of resources to identify, record, manage and report on misrepresented qualifications.

11.2 Environmental Sustainability

The SAQA House Environmental Sustainability Development Committee met four times during the 2015/16 reporting period. The Committee is chaired by the SAQA Deputy Chief Executive Officer and includes representatives from SAQA management and staff, as well as tenants, who are keenly interested in contributing to and promoting environmental and sustainability initiatives at SAQA House. This Committee submits quarterly reports to the SAQA Board and its Audit and Risk Committee.

Marshalls prepare for an evacuation drill

During the 2015/16 reporting period, the Committee approved a five-year strategy for 2015 to 2020, that it themed: "Moving towards getting off the Power Grid". The annual work plan for 2015/16 included new and ongoing activities designed to incrementally achieve this objective. Key new activities for 2015/16 focussed primarily on gathering information to reduce energy efficiencies, included the following:

- Developing a proposal and budget to supply and install solar harvesting equipment to harvest and convert solar energy into usable conventional

electrical energy to supplement the power supply to the Chiller Air Conditioning System and for emergency use in case of load shedding and power outages;

- Developing a phased-in five-year roll-out plan to replace all light bulbs at SAQA House with energy efficient bulbs and scope and introduce motion sensors to minimise electricity consumption; and
- Conducting a scoping and feasibility study of options available to SAQA to inform longer-term work plan activities for "Moving towards getting off the Power Grid". The baseline data gathered will be used to assess progress being made to achieve this objective. The multi-faceted study includes:
  - I. Gathering baseline information on SAQA's electricity usage and other measures to reduce its dependence on the energy grid and reduce its carbon footprint;
  - II. Conducting an Indoor Air Quality Survey which was completed in August 2015;
  - III. Investigating the real costs and benefits of introducing solar panels and solar assisted power supply; and
  - IV. Researching best practice models for "getting off the Power Grid" that have been adopted by other government entities like the Department of Environmental Affairs.

In June 2015, in celebration of World Environmental Month, SAQA registered with the Green Building Council of South Africa (GBCSA). The Committee developed an action plan to compile an evidence portfolio for assessment against criteria established for the Council's Energy and Water Benchmarking Tool for existing buildings. The first step of appointing an Energy Specialist to conduct an Energy Audit had commenced.

The Committee has established a Blog titled "Blue and Green" and placed a standing item called "Toolbox Talks" on its monthly Management Committee agendas, in an attempt to increase interest and disseminate information on environmental and sustainability issues more broadly within the organisation.

The Committee also continued with its other ongoing initiatives including:

- Continually improving on waste recycling and environmentally friendly disposal efforts;
- Collecting bread tags for a wheelchair project;
- Implementing its environmentally friendly pest control project;
- Considering an alternative and more viable option to revive the environmentally friendly Spekboom Plant Project by creating various green lung areas in and around SAQA House. This intervention will address the ecological management as proposed in the Green Building Council of South Africa (GBCSA)'s Greenstar SA Performance Tool;
- Harvesting and recycling of rain water to serve as backup reserve for the Sprinkler system;
- Exploring more options to reduce SAQA's "travel footprint"; and
- Promoting the purchase of "green" equipment/services as part of the bidding specifications. We ensured that all new purchases of IT servers and printers carry a "green" endorsement. We ensured that all new purchases of IT servers and printers carry a "green" endorsement.

As of 2016/17 onwards, SAQA's Environmental Sustainability Development Committee will focus more specifically on energy efficiency initiatives to reduce energy consumption and limit wastage through a collaborative approach

towards smart energy. This will be done in preparation for the GBCSA recognition assessment and is reflected in the proposed working theme for the Committee's Action Plan for 2016/17: "On a journey to a better, greener building".

The SAQA House Environmental Sustainability Development Committee comprises an energetic group of committed "greenies". Although the long-term goal of the Committee to reduce energy consumption and generate its own energy resources is in its early stages, it is gaining momentum and vision. The intention of the Committee is to inspire all those who work in SAQA House to become more aware of environmental issues and play an active role in reducing their individual as well as collective carbon footprints. The various initiatives described above are aimed at enhancing SAQA's work environment as well as promoting a positive "can do attitude" when it comes to addressing issues relating to environmental sustainability.

11.3 Social and Transformation Matters

SAQA is committed to transformation and is actively working towards transformation in the workplace. **89%** of our staff is Black and **63%** are women. The organisation has implemented an Employment Equity Policy, to ensure demographic representivity amongst employees and equal access to opportunities for all.

Furthermore, procurement policies which have been aligned to the objectives of Broad Based Black Economic Empowerment (BBBEE) were measured regularly to assess progress achieved.

SAQA understands its responsibility to society, and has a longstanding involvement with community development projects. The annual generous contributions of books, clothing, food, money and utility items by staff were donated to the Tshwaraganang Orphanage in Hammanskraal.

The Tshwaraganang Orphanage Centre was established in Hammanskraal in 2002 by a remarkable woman fondly referred to as Mama Catherine. She wanted to provide a decent home and a good education for orphans whose extended families were unable or unwilling to care for them. SAQA got involved with the orphanage in 2013, and took a conscious decision to adopt it in 2014.

Children from the Tshwaraganang Centre

In July 2015, SAQA staff donated a variety of seeds and seedlings to set up a vegetable garden at the orphanage. We also contributed fertiliser and garden equipment that would assist the orphanage to maintain the garden. As part of our Mandela Day commitment to community service, several SAQA staff and volunteers went to Tshwaraganang Centre to set up the vegetable garden and assist with painting the home. It was a day that the SAQA staff volunteers will remember for many years to come.

On World AIDS Day, SAQA staff filled 16 boxes with clothes, groceries, toys and books. The boxes and a cash donation were handed over to representatives from the centre, who joined SAQA during our World AIDS Day commemoration.

Going forward, staff will continue to visit the orphanage on Mandela Day. We have planned to raise money towards purchasing school uniforms for the children in 2016.

12 COMMUNICATION WITH STAKEHOLDERS

The NQF seems complex and difficult to understand at first glance. SAQA's role is to ensure that stakeholders not only understand the NQF, but are also able to navigate it. There are a multitude of stakeholders that require knowledge about the NQF for different reasons. In order to better streamline our communication, SAQA categorised its stakeholders into three groups, namely, policy makers, policy implementers and policy beneficiaries. We developed and implemented an integrated communication strategy that underpinned all our interactions with each of these stakeholder groups, in our quest to improve the quality of our conversations and the relevance of the information that we shared.

We noted a steady increase in the use of the digital media platforms that SAQA regularly updates with relevant articles, images and messages on the NQF and SAQA services. These platforms are the website, Facebook, Twitter, LinkedIn, and Google+.

At the end of the financial year, we measured the awareness and understanding of policy makers and implementers in terms of the role played by SAQA. We also measured their perceived value of the role played by SAQA.

Interacting with learners and interested members of the community

SAQA staff interacted with the community at eight events during the course of the year. The most prominent of these events included the Mandela Day Career Festival, the Africa Water Expo and the Ekurhuleni East exhibition. Our objectives with these exhibitions were to assist learners with understanding the NQF, to inform them about the various channels through which they can contact us for more information, and to promote the importance of genuine qualifications.

Collaborating with partners to reach policy makers, policy implementers and policy beneficiaries

SAQA has a relationship with the GCIS. Through this partnership we are exploring cost-effective ways to disseminate information on the NQF and its services, through bulk media buying and community radio.

SAQA's partnership with the Financial Planning Institute, a professional body recognised by SAQA, has enabled it to communicate relevant messages on the NQF and the work it does to professionals from industry bodies, financial services organisations and retail organisations. Regular articles were posted in the FPI's publication that is distributed to 14 500 of its members and stakeholders in print and 7 600 stakeholders online.

Through its collaboration with the Wholesale and Retail Sector Education and Training Authority (W&R SETA), SAQA activated a media campaign to promote the NQF as a mark of quality qualifications, to promote scarce and critical skills and encourage learners to apply for W&R SETA bursaries.

The campaign comprised two phases. Phase I was implemented in November 2015 and included media interviews with SAQA representatives, sponsorship features, billboard advertisements and 34 spots across seven public radio platforms over two weeks. The combined listenership of these stations is estimated to be 27 million people, mostly residing in deep rural areas.

A social media strategy involving Facebook and Twitter was also activated to potentiate the radio campaign, and it created a reach/ impressions of 32 000.

Phase II of the Radio campaign took place at the end of January 2016. Messages were broadcast over five African Language Stations with a listenership of over 8 million people.

Seeking public comment

SAQA sought public comment for each of the NQF policies that were developed. During the last year, SAQA sought public inputs into the *Draft Policy and Criteria for Evaluating Foreign Qualifications within the South African NQF*.

Similarly, SAQA contributed to the development of policy and legislation by providing comments on the Ministerial Guidelines 2015/16, the Draft Ministerial Guidelines 2016/17 and the Minister's Draft RPL Policy.

Providing a platform for intellectual debates

The NQF Impact Study 2014 that was published at the end of the last financial year, created a wealth of information worthy of an intellectual conversation. The research seminars on *Realising Lifelong Learning through Flexible Provision and the Implications for Teaching in Higher Education Institutions*, as well as *Understanding Learning Pathways in the Context of the NQF* were examples of the topics that sparked lively debates among policy makers and implementers. Further discussions took place in February 2016 on thoughts around the next NQF Impact Study planned for 2017.

Engaging in strategic conversations:

SAQA, the QCs and the Inter-departmental NQF Steering Committee comprising representatives of the DHET and DBE, meet quarterly as the CEO Committee. Strategic issues pertaining to the implementation of the NQF are discussed during these meetings. Priorities for the NQF Implementation Framework for 2015–2020 were approved by this committee in February 2016. Some of the work of this committee involved:

- Developing a draft Policy on Misrepresented Qualifications that will pave the way for establishing a Register of Misrepresented Qualifications;
- Considering matters around articulation;
- Looking at ways of simplifying the NQF;
- Ensuring that all the NQF policies were developed;
- Sourcing funding for common projects such as the digitisation of learner records;
- Considering the impact of new legislation such as the Higher Education Amendment Bill; and
- Finding ways to overcome the barriers to implementing the NQF.

Participating in forums

SAQA's permanent forum structures continued to allow for regular collaboration and communication around specialist areas. These structures were designed to help SAQA fulfil its mandate. Forums include the NLRD

Partners Forum which ensured that regular data loads of learner records were obtained from data sources such as the SETAs, the SAQA/DPSA Steering Committee which tracked trends in the verification of qualifications across the public sector, the Professional Bodies Forum which considered topics like professional ethics, RPL and professional designations, and the Advocacy and Communications Committee which discussed the most effective ways to educate the public about the NQF.

SAQA's quality assurance role also encouraged its participation in various DBE and Umalusi forums. DBE structures include the National and Provincial Examination Irregularities Committees and various Heads of Education Committees including the Teacher Development and Curriculum Committee and the National Examination and Assessment Committee.

SAQA representatives also attend the Umalusi Standardisation of Examination Results meetings as observers.

Learning from and contributing to international initiatives

During the year under review, SAQA's flag flew high on the international frontier. Staff participated in a UNESCO meeting entitled *"Towards a Global Convention on the Recognition of Studies, Diplomas and Degrees in Higher Education"*, was part of the *"Informal Working Group for the Implementation of the 2014 Addis Convention"* held on 16-17 July 2015 in Paris, participated in the *Committee of Experts on World Reference Levels* meeting in December 2015, attended the *Groningen Declaration Network Annual Meeting* in Spain in May 2015, visited the National Student Clearing House in the USA in August 2015 and exchanged ideas on Action Research at the *9th International Conference on Researching Work and Learning* in Singapore.

SAQA also benchmarked Malaysian qualifications against its own. This exercise was as a result of a memorandum of understanding that we signed with Malaysia.

SAQA won the bid to host the Groningen Declaration Network meeting in 2016. This event will open the door to SAQA bringing the world to Africa and inspiring neighbouring countries to move towards digitised learner records.

Workshop on the Addis Convention

Zambian Qualifications Authority guests

20 YEARS

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human resource mnagement

human resource management

1. INTRODUCTION

1.1 Overview of Human Resource Matters at SAQA

The Human Resources function is responsible for:

- Providing staffing services;
- Administering leave, the Employee Education Assistance and Pension Fund functions;
- Managing Labour Relations;
- Providing an Employee Wellness service; and
- Coordinating the performance management and development initiatives of SAQA.

1.2 Human Resource Priorities for the Year under Review

Learning and development is a SAQA strategic imperative because competent and professional staff are key to the effective delivery of SAQA's mandate. Every staff member has a learning and development plan that is aligned to the strategic objectives of the organisation.

During the year under review, all staff underwent a leadership and staff development programme under the auspices of the African Institute for Mentoring (AIM). The overall objective of this intervention was to enhance the culture of effective leadership and performance as well as coaching and mentoring with a workforce that focuses on common values, quality, customers, problem solving and accountability.

1.3 Labour Negotiations

SAQA had a multi-term substantive agreement with SADTU for a three-year period that ended on 31 March 2016. There were therefore no salary negotiations for three years. New negotiations will take place in the next financial year.

1.4 Workforce Planning

During the Strategic and Operations Planning process prior to the commencement of a new financial year, SAQA managers also revisit their resource requirements to enable effective delivery. Based on the nature of the deliverable and staff requirements, managers would also motivate for additional staff where relevant. The motivation is evaluated in terms of available funds by HR, the Financial Director and CEO. The planned staff complement is then compiled and is approved by the SAQA Board.

During the year under review, SAQA appointed **33** new recruits and terminated **16** employment contracts. The SAQA workforce is stable and the staff turnover of **9.5%** compares favourably with the national turnover statistics.

1.5 Performance Management Framework

The performance management system is currently under review. As it stands, staff members contract their required outputs for the year and these are reviewed at mid-term with the final assessment at the end of the financial year. The assessments are monitored for compliance and consistency by HR and the recognition of outstanding performance is finally moderated by the Finance Director, CEO and HR Director.

1.6 Leadership Development

AIM leadership development training

SAQA subscribes to the philosophy that managers should be coaches and mentors in addition to the standard management competencies of planning, leading, organising, controlling and communicating. To this end, the organisation invested in a leadership development programme that focused on enhancing the coaching skills of managers. The programme spanned eighteen months and allowed for managers to internalise the learning before applying their acquired skills in the workplace.

One of the outcomes of the programme was the adoption of Critical Success Leadership Behaviours which encourages SAQA leaders to have clear vision with focused action and to be values-driven leaders who serve and inspire.

1.7 Staff Induction

SAQA implemented a revised staff induction programme which spans over six days. The objective of the induction programme is to familiarise new staff with the SAQA environment so as to expedite the process that leads to new staff members becoming productive contributors in the shortest possible time.

The programme covers the SAQA Brand, Charter of Ethics and Values, Policies and Procedures, Client Service Standards, Safety and Security, and Fraud Prevention, detecting and reporting. The legislative and governance structures as well as the SAQA mandate in terms of the NQF Act, form a central theme of the on-boarding process. The methodologies used during the programme range from face-to-face presentations, internet searches, simulations workshopping and group and individual assignments.

1.8 Internship Programme

SAQA enjoyed a longstanding positive relationship with the ETDP SETA over the past 10 years. During this period, SAQA successfully implemented ETDP-funded learnership and internship programmes. A total of **81** unemployed/pre-employed youth participated in one of the programmes over the last decade. Of these, **23** learners were subsequently employed by SAQA while most of the other learners secured gainful employment in either the public or private sector.

SAQA currently has **16** interns who will complete their internship on 30 May 2016. Mentoring and coaching underpin the internship approach. Each intern has a mentor and skills development plan against which monthly reports are submitted to ETDP SETA. During this year, SAQA was one the sites that was audited under the ETDP SETA initiative. SAQA was praised for the manner in which it approaches and manages its internship programme.

1.9 Wellness Programme

SAQA prides itself on being a caring organisation. The organisation's approach to employee wellness is holistic in that the focus is beyond merely providing reactive assistance to staff, but also to provide a pro-active service package. The wellness benefits extend to all persons who reside with the employee, including resident domestic staff. The services on offer include the following:

- 24/7/365 access to a professional wellness call centre;
- Access to telephonic psychosocial counselling;
- Access to face-to-face psychosocial counselling (up to 6 sessions per incident);
- Access to life management services (financial, legal, health advisory);
- Access to referrals for external specialised networks;
- Access to lifestyle risk management programme (outreach care calls);
- Employee programme orientation; and
- Programme promotional materials (wallet cards, posters, pamphlets, relevant articles and email alerts).

We held advocacy, health and wellness days which included focussing on men's health, HIV/AIDS and a fun afternoon of Zumba and aerobics.

1.10 Investors in People

SAQA once again achieved the Investors in People (IIP) International Standard, only this time, we surpassed the standard and achieved recognition at bronze level. The IIP recognition confirms that SAQA is maintaining focus and good balance in terms of staff development and the achievement of organisational objectives. The assessment covered the following areas:

- Business Strategy - A strategy for improving the performance of the organisation is clearly defined and,
- Learning and development is planned to achieve the organisation's objectives,
- Strategies for managing people are designed to promote equality of opportunity in the development of the evidence requirements,
- The capabilities managers need to lead, manage and develop people effectively are clearly defined and understood,
- Managers are effective in leading, managing and developing people,
- People's contribution to the organisation is recognised and valued,
- People are encouraged to take ownership and responsibility by being involved in decision-making,

- People learn and develop effectively,
- Investment in people improves the performance of the organisation, and
- Improvements are continually made to the way people are managed and developed.

1.11 Future Human Resources Plans

For the 2016/17 financial year, the organisation plans to have more focussed learning and development plans that are better aligned with the organisational mandate.

SAQA also intends to improve its overall approach to staff recognition, appreciation and reward. The remuneration and conditions of employment regime will be reviewed to ensure a model that is both competitive and sustainable. A benchmarking exercise to ensure relevance and fit is being undertaken to inform the envisaged review which will be presented to the SAQA Board for approval.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

2.1. Personnel Costs by Programme

Programme	Total expenditure for the entity	Personnel expenditure	Personnel expenditure as a % of total SAQA expenditure	No of employees	Average personnel cost per employee
Administration and Support	49 248 337	26 871 246	27	55	488 568
Recognition and Registration	7 625 099	6 711 973	7	12	559 331
National Learners Records Database (NLRD)	11 973 975	10 513 541	11	34	309 222
Foreign Qualification Evaluation and Advisory Services	23 824 671	19 479 005	20	62	314 178
Research	3 033 718	1 600 863	2	2	800 432
International Liaison	2 271 626	1 843 701	2	2	921 851
Total	**97 977 426**	**67 020 329**	**68**	**167**	**401 319**

2.2. Personnel Costs by Salary Band

Level	Personnel expenditure	% of personnel expenditure to total SAQA personnel costs	No of employees	Average personnel cost per employee
F Lower	1 569 253	3	1	1 569 253
E Upper / E Lower	11 295 129	18	11	1 026 830
D	11 091 007	18	17	652 412
C	27 517 347	45	82	335 577
B	10 358 190	17	56	184 968
A	-	-	-	-
Total	**61 830 925**	**100**	**167**	**1 569 253**

Note:

This amount differs from the R67,020,329 as the following items to do get processed via the VIP payroll system, but are allocated to the personnel cost in the general ledger:

- Payments to agencies for temporary staff
- Payment to COIDA
- Payments to staff for education assistance
- Payments for recruitment of staff
- Provisions raised for bonuses
- Provisions raised for leave

2.3. Training Costs

Directorate / Business Unit	Personnel expenditure	Training expenditure	Training expenditure as a % of SAQA personnel costs	No of employees	Average training cost per employee
Administration and Support	26 871 246	1 429 051	2.13	55	25 983
Recognition and Registration	6 711 973	-	-	12	-
National Learners Records Database	10 513 541	124 374	0.19	34	3 658
Foreign Qualification Evaluation and Advisory Services	19 479 005	92 910	0.14	62	1 499
Research	1 600 863	-	-	2	-
International Liaison	1 843 701	-	-	2	-
Total	**67 020 329**	**1 646 335**	**2.46**	**167**	**9 858**

2.4. Employment and Vacancies

Programme	2014/2015	2015/2016	2015/2016	2015/2016	2015/2016
	No of employees	Approved posts	No. of employees	Vacancies	% of vacancies
Administration and Support	54	59	59	0	0
Foreign Qualifications Evaluation and Advisory Services	41	65	62	3	4.6
Recognition and Registration	14	15	12	3	20
National Learners' Records Database	14	14	11	3	21.4
Verifications	26	28	23	5	17.9
Total	**149**	**181**	**167**	**14**	**8.4**

Programme	2014/2015	2015/2016	2015/2016	2015/2016	2015/2016
Administration & Support	No. of employees	Approved posts	No. of employees	Vacancies	% of vacancies
F Lower/E Upper	2	2	2	0	0
E Lower	6	7	7	0	0
D	10	9	8	1	1.7
C	25	27	26	1	1.7
B	11	14	16	-2	-3.4
Total	**54**	**59**	**59**	**0**	**0**

Programme	2014/2015	2015/2016	2015/2016	2015/2016	2015/2016
Foreign Qualifications Evaluation and Advisory Services	No. of employees	Approved posts	No. of employees	Vacancies	% of vacancies
F Lower/E Upper	0	0	0	0	0
E Lower	1	1	1	0	0
D	3	3	3	0	0
C	23	42	35	7	10.8
B	14	19	23	-4	-6.2
Total	**41**	**65**	**62**	**3**	**4.6**

Programme	2014/2015	2015/2016	2015/2016	2015/2016	2015/2016
Recognition & Registration	No. of employees	Approved posts	No. of employees	Vacancies	% of vacancies
F Lower/E Upper	0	0	0	0	0
E Lower	1	1	1	0	0
D	2	3	2	1	6.7
C	9	9	8	1	6.7
B	2	2	1	1	6.7
Total	**14**	**15**	**12**	**3**	**20**

Programme	2014/2015	2015/2016	2015/2016	2015/2016	2015/2016
National Learners' Records Database	No. of employees	Approved posts	No. of employees	Vacancies	% of vacancies
F Lower/E Upper	0	0	0	0	0
E Lower	1	1	1	0	0
D	2	1	2	-1	-7.1
C	5	9	5	4	28.6
B	6	4	3	1	7.1
Total	**14**	**14**	**11**	**3**	**21.4**

Programme	2014/2015	2015/2016	2015/2016	2015/2016	2015/2016
Verifications	No. of employees	Approved posts	No. of employees	Vacancies	% of vacancies
F Lower/E Upper	0	0	0	0	0
E Lower	0	0	0	0	0
D	1	1	1	0	0
C	9	11	7	4	14.3
B	16	16	15	1	3.6
Total	**26**	**28**	**23**	**5**	**17.9**

2.5. Employment Changes

Salary Band	Employment at beginning of period (1 April 2015)	Appointments	Terminations	Employment at end of period (31 March 2016)
F Lower/E Upper	2	0	0	2
E Lower	10	0	0	10
D	14	4	2	16
C	80	13	12	81
B	44	16	2	58
Total	**150**	**33**	**16**	**167**

2.6. Reasons for Staff Leaving

Reason	Number	% of Total No. of Staff Leaving
Death	0	0
Resignation	15	94
Dismissal	1	6
Retirement	0	0
Ill Health	0	0
Expiry of contract	0	0
Other	0	0
Total	**16**	**100**

2.7. Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal Warning	2
Written Warning	2
Final Written Warning	0
Disciplinary Hearing	1
Dismissal	1
Total	**6**

2.8. Equity Targets and Employment Equity Information

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
F Lower/E Upper	1	1	0	0	0	0	0	0
E Lower	1	1	3	3	0	0	1	1
D	6	5	0	1	1	2	3	2
C	28	29	0	1	0	2	2	3
B	15	17	1	1	0	1	0	0
Total	**51**	**53**	**4**	**6**	**1**	**5**	**6**	**6**

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
F Lower/E Upper	0	0	0	0	1	1	0	0
E Lower	1	1	0	0	1	1	3	3
D	1	2	2	3	1	1	2	3
C	43	43	1	1	3	4	7	7
B	39	37	0	1	0	0	0	0
Total	**84**	**83**	**3**	**5**	**6**	**7**	**12**	**13**

	Disabled			
Levels	Male		Female	
	Current	Target	Current	Target
F Lower/E Upper	0	0	0	0
E Lower	0	0	0	0
D	0	1	0	0
C	0	0	2	1
B	1	1	0	1
Total	**1**	**2**	**2**	**2**

YEARS

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financial information

1. STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2016

The Accounting Authority is responsible for the preparation of the public entity's 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 designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

In my opinion, the financial statements fairly reflect the operations of the public entity for the financial year ended 31 March 2016.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements of the public entity.

The SAQA Annual Financial Statements for the year ended 31 March 2016 have been audited by the external auditors and their report is presented on page 143.

The Annual Financial Statements of the public entity set out on page 146 to page 184 have been approved.

JS SAMUELS
CHIEF EXECUTIVE OFFICER

V TONI PENXA
CHAIRPERSON OF THE BOARD

3. AUDIT AND RISK COMMITTEE REPORT

Below is the Audit and Risk Committee report for the financial year ended 31 March 2016.

The Audit and Risk Committee is an independent statutory committee appointed by the Board. In addition to its statutory responsibilities, further duties have been delegated by the Board to the committee. This report deals with all of the committee's duties and responsibilities.

Terms of Reference

The committee adopted formal Terms of Reference that was approved by the Board. The committee conducted its affairs in compliance with the Terms of Reference and discharged its responsibilities contained therein.

Role and Responsibilities

Statutory Duties

The committee's role and responsibilities include the statutory duties set out in sections 76(4) (d) and 77 of the PMFA 1999 and sections 3.1 and 27.1 of the Treasury Regulations issued in terms of that Act and further responsibilities assigned to it by the Board. The committee also executed its duties in terms of the requirements of King III.

External Auditor

In terms of the PFMA, the external auditor is the Auditor-General. The committee, in consultation with Executive Management, agreed to the Engagement Letter, Audit Plan and budgeted audit fees for the 2015/16 financial year. The Auditor-General was not asked to provide any non-audit services.

Financial Statements and Accounting Policies and Practices

The committee reviewed the accounting policies and practices and the financial statements of the organisation and was satisfied with their appropriateness and compliance with the effective Standards of Generally Recognised Accounting Practices (GRAP). This included any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB). No concerns or complaints in relation to the reporting practices of the organisation were received.

Internal Financial Controls

The committee oversaw the process by which the internal audit function provided a written assessment of the effectiveness of SAQA's system of internal control and risk management, including internal financial controls. This written assessment formed the basis for the committee's recommendation to the Board's response to the External Audit Report to fulfil its reporting requirements. The Board's report on the effectiveness of the system of internal control is on page 139. The committee fully supports the opinion of the Board in this regard.

Whistle Blowing

No concerns or complaints were received relating to the accounting practices and internal audit, the content or auditing of the financial statements or any related matters from within or outside SAQA, during the 2015/16 financial year.

Duties Assigned by the Board

In addition to the statutory duties of the committee, as reported on above, the Board determined additional functions for the committee to perform as set out in the committee's Terms of Reference. They include the following:

Integrated Reporting

The committee fulfils an oversight role regarding the integrated report and the reporting process.

The committee considered the organisation's sustainability information as disclosed in the integrated report and assessed its consistency with operational and other information known to the Audit and Risk Committee members and, for consistency, with the Annual Financial Statements. The committee discussed the sustainability information with management and was satisfied with the information provided.

According to King III, the committee should recommend to the Board the appointment of an external assurance provider on material sustainability issues. The committee's recommendation to the SAQA Board was *not* to appoint an external assurance provider. This recommendation is premised on the belief that the relatively straightforward nature and extent of the information did not warrant such an appointment.

Going Concern

The committee reviewed a documented assessment including key assumptions, prepared by management, of the going concern status of the Authority and made its recommendation to the Board. The Board statement on the going concern status of SAQA is set out on page 146.

Governance of Risk

The Board assigned oversight of the risk management function to the committee. The committee reviewed the risk management process, the effectiveness of risk management activities, the key risks facing the organisation and responses to address them. The committee fulfilled its oversight role regarding financial reporting risks, internal financial controls, and fraud and information technology risks as they relate to financial reporting.

Internal Audit

The committee ensured that the internal audit function was independent and had the necessary resources, standing and authority to enable it to discharge its duties. Furthermore, the committee oversaw co-operation between the internal and external auditors and served as the link between the Board and these functions.

The committee reviewed and recommended the Internal Audit Charter for Board approval and approved the Annual Audit Plan.

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

The Internal Auditor reported to the committee. It reviewed and provided assurance on the adequacy of the internal control environment across all of SAQA's operations. The head of the Internal Audit team had direct access to the committee, through its chairperson.

The committee did not assess the performance of the internal audit function in the last financial year. The contract with Deloittes came to an end in March 2015. Even though the contract with Outsourced Risk and Compliance Assessment (ORCA) was effective from 1 April 2015, work commenced in the latter part of the year. The committee therefore decided to assess the internal audit function in the next financial year.

Evaluation of the Expertise and Experience of the Finance Director and Finance Function

The committee satisfied itself that the Finance Director has appropriate expertise and experience.

The committee satisfied itself with the appropriateness of the expertise, adequacy of resources of the finance function and the experience of the senior members of management responsible for the finance function.

Mr MJ Brown
Chairperson of the Audit and Risk Committee

Mr Malcolm Brown, Chairperson of the Audit & Risk Committee

Mr JJ Njeke, Chairperson of 5th Board with Dr Len Konar from ORCA

3. AUDITOR-GENERAL'S REPORT

Report of the Auditor-General to Parliament on the South African Qualifications Authority

Report on the financial statements

Introduction

1. I have audited the financial statements of the South African Qualifications Authority set out on pages 146 to 184 , which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Authority's responsibility for the financial statements

2. The Accounting Authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Qualifications Authority as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2016:

- Programme 2: Registration and Recognition on pages 70 to 75
- Programme 3: National Learners' Records Database on pages 77 to 83
- Programme 4: Foreign Qualifications Evaluation and Advisory Services on pages 84 to 89
- Programme 5: Research on pages 90 to 91
- Programme 6: International Liaison on pages 92 to 100

9. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.

10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

11. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Registration and Recognition on pages 70 to 75
- Programme 3: National Learners' Records Database on pages 77 to 83
- Programme 4: Foreign Qualifications Evaluation and Advisory Services on pages 84 to 89
- Programme 5: Research on pages 90 to 91
- Programme 6: International Liaison on pages 92 to 100

Additional matters

12. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

13. Refer to the annual performance report on pages 45 to 102 for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

14. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information for Programme 2: Registration and Recognition, Programme 3: National Learners' Records Database, and Programme 4: Foreign Qualifications Evaluation and Advisory Services. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

15. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My material finding on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, is as follows:

Procurement and contract management

16. Goods and services with a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1. The reasons for deviating from inviting competitive bids were not approved by the Accounting Authority, as required by Treasury Regulation 16A6.4.

Internal control

17. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.

Leadership

18. There was lack of adequate oversight control to ensure that the information technology systems used for reporting on performance information relating to the Foreign Qualifications Evaluation and Advisory Services programme were operating effectively to produce accurate and complete records. Furthermore, the technical indicator descriptions for some indicators relating to the Registration and Recognition programme did not clearly identify the required level of performance. This resulted in material adjustments having to be made to the annual performance report submitted for auditing.

Financial and performance management

19. Management did not adequately monitor compliance with the Supply Chain Management Regulations when procuring through a contract, resulting in the contract not being approved by the Accounting Authority. This resulted in the entity incurring irregular expenditure, as disclosed in Note 31 to the financial statements.

Auditor-General

Pretoria
31 July 2016

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

4. ANNUAL FINANCIAL STATEMENTS

Accounting Authority Report

SAQA is a statutory body established by the National Qualifications Framework (NQF) Act No. 67 of 2008. SAQA's main mandate is to advance the objectives of the NQF, to oversee the implementation and further development of the NQF and to coordinate the sub-frameworks. In terms of the Public Finance Management Act (PFMA) SAQA is a schedule 3 A National Public Entity and is listed under that Schedule in the PFMA. The SAQA Board is the Accounting Authority for the activities of the entity.

1. Nature of entity

The Authority is a public entity domiciled in South Africa.

2. Nature of entity's operations

The nature of the entity's business is set out in the NQF Act No. 67 of 2008, and is to oversee the development and implementation of the National Qualifications Framework (NQF) and to ensure the achievement of its objectives.

3. Going concern

The Board believes that SAQA will continue to be a going concern for the financial year ahead. Accordingly, it continues to adopt the going concern basis in preparing the financial statements. In arriving at this view, the Board took into account the current sound financial position and the responsibility of the Minister of Higher Education and Training, in terms of the NQF Act, to fund SAQA's functions.

4. Events after the reporting period

The Board approved and condoned the irregular expenditure as disclosed in note 31 of the annual financial statements at its Board meeting held on 28 July 2016. Other than the approval of the irregular expenditure, there were no adjusting events, or non-adjusting events requiring disclosure that occurred after the reporting period.

5. Principal activities

- Oversee the implementation of the NQF
- Develop a system of collaboration to guide the mutual relations of SAQA and the Quality Councils.
- Develop, publish and maintain Level Descriptors for each level of the NQF.
- Develop and implement policy and criteria for the development, registration and publication of the qualifications and part qualifications on the NQF.
- Register qualifications and part qualifications on the NQF.
- Develop policy and criteria for assessment, Recognition of Prior Learning and credit accumulation and transfer.

- Develop and implement policy and criteria for recognising a professional body and registering a professional designation.
- Recognition of professional bodies and registration of professional designations on the NQF.
- Collaborate with international counter parts on all matters of mutual interest concerning qualifications frameworks.
- Conduct and commission research on education and training systems.
- Maintain the National Learners' Records Database as the key national source of information for human resource development in South Africa, including verification of qualifications.
- Maintain SAQA's Foreign Qualifications Evaluation and Advisory Services.
- Inform the public about the National Qualifications Framework.

6. Property, plant and equipment and Intangible Assets

There were no changes in the nature of property, plant and equipment and intangible assets or in the policy regarding to their use during the year. Capital expenditure on property, plant and equipment and intangible assets for the year amounted to R3,702,357 (2015: R4,123,572). Details are contained in notes 9 and 10 to the financial statements.

7. Remuneration

The remuneration of the Chairperson is determined by the Minister of Higher Education and Training, with the concurrence of the Minister of Finance. Allowances paid to other non-executive members of the Board are determined by the Minister of Finance and approved by the Minister of Higher Education and Training.

Remuneration and allowances paid to the members of the Board for the year under review, were as follows:

	Attendance fees	Remuneration	Fees for Other Services Rendered	Travel and Other Costs	Total
	R	R	R	R	R
Executive					
Mr J Samuels	-	1,569,253	-	-	1,569,253
5th Board Members					
Mr MJN Njeke - Chairperson	-	245,957	-	-	245,957
Mr D Adler	77,376	-	165,316	10,698	253,390
Ms CT Duba	-	-	-	2,567	2,567
Mr SFA Mokonane	-	-	-	6,139	6,139
Ms N Moodley	-	-	-	4,665	4,665
Ms S Muller	38,400	-	-	454	38,854

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

	Attendance fees	Remuneration	Fees for Other Services Rendered	Travel and Other Costs	Total
	R	R	R	R	R
Dr V Toni Penxa	35,328	-	-	10,791	46,119
Mr O Sipuka	20,160	-	-	1,017	21,177
Prof TG Schultz	30,336	-	-	4,845	35,181
6th Board Members					
Dr V Toni Penxa - Chairperson	-	40,542	-	1,218	41,760
Mr EW De Klerk	-	-	-	1,299	1,299
Prof SJ Howie	-	-	-	203	203
Mr GC Louw	5,760	-	-	-	5,760
Mr FM Maleka	5,760	-	-	-	5,760
Prof TG Schultz	12,288	-	-	1,430	13,718
	225,408	**1,855,752**	**165,316**	**45,326**	**2,291,802**

8. Financial Statements

The financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) as set out in note 1.1 to the financial statements on page 157 thereof.

9. Auditors

The Auditor-General will continue in office as External Auditor in accordance with section 13 of the National Qualifications Framework Act.

The Auditor-General expresses an opinion on the financial statements. The audit has been performed in terms of section 188 of the Constitution of the Republic of South Africa Act, No. 108 of 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 13 of the National Qualifications Framework Act (Act No. 67 of 2008). The audit is conducted in accordance with International Standards on Auditing.

10. Fair Presentation

The financial statements fairly present the state of affairs of SAQA at 31 March 2016, the results of its operations and cash flow information for the year then ended. These were signed by the Chairperson and the Chief Executive Officer on behalf of the Board on 28 July 2016.

11. Projects

Projects continue to play a role in the realisation of SAQA's objectives. The Board is grateful for the contributions to SAQA by the project partners for the year.

Projects	1 April 2015 Opening Balance	Current Year Income	Current Year Expenditure/ Release/Refund	31 March 2016 Balance
	R	R	R	R
CHE	1,079,154	1,438,390	(1,719,583)	797,961
DHET	(327,836)	327,836	-	-
EWSETA	(192,323)	-	-	(192,323)
W&R SETA	2,035,746	-	(915,089)	1,120,657
CHIETA	268,414	-	(268,414)	-
	2,863,155	**1,766,226**	**(2,903,086)**	**1,726,295**

Below is a summary of the services provided in terms of the projects:

Council on Higher Education (CHE) - SAQA has been contracted to manage the Higher Education Quality Committee Information System (HEQCIS) on behalf of the CHE

Department of Higher Education and Training (DHET) - SAQA managed the Career Development Services for the DHET until 30 September 2014.

SAQA is assisting the Energy and Water SETA, the Wholesale and Retail SETA and CHIETA with targeted work to enable them to meet their performance targets relating to NQF Advisory Services that are specific to their sectors.

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2016	2015
		R	R
Revenue	2	89,876,063	113,169,752
Operating expenses	3	(98,001,287)	(123,049,469)
Operating deficit		**(8,125,224)**	**(9,879,717)**
Investment revenue	4	1,980,720	2,161,013
Deficit for the year		**(6,144,504)**	**(7,718,704)**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note(s)	2016 R	2015 R
Assets			
Current Assets			
Inventories	5	596,378	468,143
Receivables from exchange transactions	6	5,214,669	3,194,730
Prepaid expense	7	1,332,311	1,508,112
Cash and cash equivalents	8	25,141,069	33,223,789
		32,284,427	**38,394,774**
Non-Current Assets			
Property, plant and equipment	9	21,036,672	20,545,743
Intangible assets	10	2,959,258	2,695,349
		23,995,930	**23,241,092**
Total Assets		**56,280,357**	**61,635,866**
Liabilities			
Current Liabilities			
Deferred Income	11	15,085,756	10,209,310
Payables from exchange transactions	12	8,627,847	12,329,719
VAT payable from exchange transactions	13	24,479	22,270
Provisions	26	898,952	1,286,740
		24,637,034	**23,848,039**
Total Liabilities		**24,637,034**	**23,848,039**
Net Assets		**31,643,323**	**37,787,827**
Net Assets			
Accumulated surplus		31,643,323	37,787,827

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus	Total net assets
	R	R
Opening balance as previously reported	45,429,048	45,429,048
Correction of prior period error	77,484	77,484
Balance at 01 April 2014 as restated	**45,506,532**	**45,506,532**
Deficit as previously stated	(7,915,180)	(7,915,180)
Correction of prior year error	196,475	196,475
Deficit for the year	**(7,718,704)**	**(7,718,704)**
Opening balance as previously reported	37,513,868	37,513,868
Correction of errors	273,959	273,959
Balance at 01 April 2015 as restated	**37,787,827**	**37,787,827**
Deficit for the year	(6,144,504)	(6,144,504)
Balance at 31 March 2016	**31,643,323**	**31,643,323**

CASH FLOW STATEMENT

	Note(s)	2016 R	2015 R
Cash flows from operating activities			
Receipts			
Rendering of services		32,507,143	30,649,940
Grants		54,757,000	55,008,000
Interest income		1,980,720	2,161,013
Project funding received		1,766,226	45,030,328
		91,011,089	132,849,281
Payments			
Paid to suppliers and employees		(95,391,452)	(116,474,418)
Net cash flows from operating activities	14	**(4,380,363)**	**16,374,863**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(2,590,249)	(3,991,763)
Proceeds from sale of property, plant and equipment		-	139,156
Purchase of intangible assets	10	(1,112,108)	(131,809)
Net cash flows from investing activities		**(3,702,357)**	**(3,984,416)**
Net (decrease)/increase in cash and cash equivalents		**(8,082,720)**	**12,390,447**
Cash and cash equivalents at the beginning of the year		33,223,789	20,833,342
Cash and cash equivalents at the end of the year	8	**25,141,069**	**33,223,789**

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis						
	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	35,500,000	-	**35,500,000**	30,336,962	**(5,163,038)**	30
Rent	1,200,000	-	**1,200,000**	1,258,706	**58,706**	
Sundry	4,200,000	-	**4,200,000**	3,523,395	**(676,605)**	
Interest received investment	1,650,000	-	**1,650,000**	1,980,720	**330,720**	
Total revenue from exchange transactions	**42,550,000**	**-**	**42,550,000**	**37,099,783**	**(5,450,217)**	
Revenue from non-exchange transactions						
Government grants & subsidies	54,757,000	-	**54,757,000**	54,757,000	**-**	30
Surplus funds from prior years	9,500,000	-	**9,500,000**	-	**(9,500,000)**	
Total revenue from non-exchange transactions	**64,257,000**	**-**	**64,257,000**	**54,757,000**	**(9,500,000)**	
Total revenue	**106,807,000**	**-**	**106,807,000**	**91,856,783**	**(14,950,217)**	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS CONTINUED

Budget on Cash Basis						
	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Expenditure						
Personnel	(69,895,985)	150,000	**(69,745,985)**	(65,095,332)	**4,650,653**	30
Depreciation and amortisation	-	-	**-**	(2,931,561)	**(2,931,561)**	
Repairs and maintenance	(1,030,000)	-	**(1,030,000)**	(841,649)	**188,351**	
General expenses	(32,531,015)	(80,000)	**(32,611,015)**	(29,108,884)	**3,502,131**	
Total expenditure	**(103,457,000)**	**70,000**	**(103,387,000)**	**(97,977,426)**	**5,409,574**	
Operating deficit	**3,350,000**	**70,000**	**3,420,000**	**(6,120,643)**	**(9,540,643)**	
Loss on disposal of PPE	-	-	**-**	(15,956)	**(15,956)**	
Loss on foreign exchange	-	-	**-**	(7,905)	**(7,905)**	
Deficit	**3,350,000**	**70,000**	**3,420,000**	**(6,144,504)**	**(9,564,504)**	
Actual amount on comparable basis as presented in the budget and actual comparative statement	**3,350,000**	**70,000**	**3,420,000**	**(6,144,504)**	**(9,564,504)**	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis						
	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Position						
Assets						
NonCurrent Assets						
Property, plant and equipment	3,350,000	70,000	**3,420,000**	2,590,249	**(829,751)**	30
Intangible assets	-	-	**-**	1,112,108	**1,112,108**	
	3,350,000	**70,000**	**3,420,000**	**3,702,357**	**282,357**	

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

ACCOUNTING POLICIES

1. Basis of preparation

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 91(1) of the Public Finance Management Act (Act 1 of 1999).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on the historical cost basis except for financial instruments stated at fair value as disclosed in the notes below. The financial statements are presented in South African Rand.

1.1 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

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

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Costs include expenditure that is directly attributable to the acquisition of the assets.

SAQA recognises in the carrying amount of property, plant and equipment the cost of replacing part of such an item when the cost is incurred if it is probable that the future economic benefit or service potential embodied within the item will flow to SAQA and the cost can be measured reliably. All other costs are recognised in the statement of financial performance when incurred.

Where property, plant and equipment are acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

SAQA regularly maintains the property, plant and equipment in such a way that it does not incur any further costs for restoration expenses.

Land is not depreciated. Depreciation is charged to the statement of financial performance on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Asset	Useful life
Buildings	50 years
Security and CCTV system	20 years
Computer file servers, archiving system and UPS's	5 years
Office furniture and equipment and cameras	8 years
Motor vehicles	10 years
Photocopy machines and printers and scanners	5 years
Storage Area Network	5 years
IT equipment	4 years
IT switches	7 years
IT Monitors and LED/LCD Screens	5 years
PABX System and Phones	8 years
Central air conditioning system	15 years
Air conditioners and Inverters	10 years
Lift doors	15 years
Parking garage	50 years

Depreciation methods, estimated useful lives and residual values are assessed annually.

1.2 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

An intangible asset is recognised at cost if it is probable that future economic benefits or service potential will flow to SAQA. Amortisation is charged on a systematic basis over the estimated useful lives of the intangible assets. All of SAQA's intangible assets have a finite useful life.

The estimated useful life of intangible assets in respect of the DFQEAS workflow system software developed is 5 years.

The intangible asset in respect of the NLRD has been assessed as having a useful life of 10 years.

The intangible asset in respect of the Verification database has been assessed as having a useful life of 10 years in line with the NLRD

The estimated useful life of the SAQA Website is 2 years.

The estimated useful life of Licence fees is 1 year.

Subsequent expenditure on capitalised intangible assets is capitalised only if it increases the future benefits or service potential embodied in the specific asset to which it relates. The carrying amounts are reviewed at financial position date to determine whether there is any indication of impairment. The estimated useful lives and residual values are reassessed annually.

1.3 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, in which case their costs are their fair value as at the date of acquisition.

Subsequently stationery inventories are measured at the lower of cost and net realisable value.

Collateral Inventories are measured at the lower of cost and current replacement cost where they are held for distribution at no charge or for a nominal charge.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.4 Provisions

Provisions are recognised in the statement of financial position when:

- SAQA has a present legal obligation as a result of a past event and
- it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision for onerous contracts is recognised when the expected benefits to be derived from the contracts are lower than the unavoidable cost of meeting the obligations under the contracts. A provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, SAQA recognises any impairment loss on the asset associated with the contract.

1.5 Commitments

Commitments are disclosed where SAQA has, in the normal course of its operations, entered into a contractual agreement with entities and suppliers related to expenses which are yet due for payment. Refer to note 23.

1.6 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries and annual leave represent the amount that SAQA has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The provisions have been calculated at undiscounted amounts on current wage and salary rates.

Defined contribution plans

Contributions are charged against the statement of financial performance as incurred.

1.7 Revenue

Verification Services

Verification fees for learner achievements are recognised once the services have been rendered and they become due and payable.

Evaluation fees

Evaluation fees are recognised when the evaluation reports are delivered.

Government, donor and project grants

Any government or international donor grant is initially recognised in the statement of financial position as deferred revenue when there is reasonable assurance that the conditions attached to it will be complied with and that the grant will be received

Subsequent to initial recognition:

- Grants for the purpose of giving immediate financial support with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

- Grants that compensate the entity for expenses or losses incurred are recognised as revenue in the statement of financial performance on a systematic basis in the same periods in which the expenses or losses are incurred.

Grants received that carry any restrictions or conditions as to the use thereof are held in a deferred revenue account until such time as the conditions or stipulations related thereto have been fulfilled or a repayment has been made. Each grant is assessed to determine if any liability exists and if so, the grant is recorded as deferred revenue until such time as there is no longer any liability by the entity that relates to that grant.

Rental (Lease) income

Rental income is recognised in the statement of financial performance on a straight line basis over the period of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Other income

Commissioned data analysis fee income is recognised upon the completion of the analysis.

Support for the Information Administrator Learnerships is recognised in the period during which the learnerships are undertaken.

Sales of books and CD's with published information are recognised on the date of sale.

1.8 Finance income

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the entity.

1.9 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised in SAQA's statement of financial position when SAQA becomes party to the contractual provisions of the instrument. Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value. Financial assets are derecognised if the SAQA's contractual rights to the cash flows from the financial assets expire or if SAQA transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the SAQA's obligations specified in the contract expire or are discharged or cancelled.

Gains and losses on subsequent measurement

Gains and losses arising from a change in fair value of financial instruments that are not part of a hedging relationship are included in net surplus or deficit in the period in which the change arises.

Trade and other receivables

Trade and other receivables are stated at their amortised cost using the effective interest rate method less impairment losses.

Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents consist of the balances on the current and call investment accounts and the cash on hand.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at reporting date.

Financial liabilities

Nonderivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments using the effective interest rate method.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when SAQA has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

Foreign currency transactions and balances

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the transaction date. Any remaining balances denominated in foreign currencies are translated at the rate of exchange ruling at the financial position date. Gains or losses arising on translation are credited to or charged against the statement of financial performance.

1.10 Impairment of assets

The carrying amounts of SAQA's assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable service amount is the higher of its fair value less costs to sell and its value in use.

Value in use is the present value of the asset's remaining service potential. This is determined using the depreciation replacement cost method. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

1.11 Related parties

SAQA operates in an economic environment currently dominated by entities directly or indirectly owned by the South African Government. As a result of the constitutional independence of all three spheres of government in South Africa, only parties within the national sphere of Government are considered to be related parties.

1.12 Irregular expenditure

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

a. This Act;

b. The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or

c. Any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incureed, unless it is impractical to determine, in which case reasons therefore must be provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

1.13 Expenditure

Expenses have not been offset except where offseting is required or permitted by a Standard of GRAP and are accounted for on the accrual basis of accounting.

1.14 Deferred income

SAQA recognises deferred income when it has received funds in advance for services that it has still to render. Once it has rendered the services, the funds are recognised as income in the statement of financial performance.

1.15 Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of SAQA.

Contingent liabilities are not recognised, but disclosed in the notes to the financial statements.

Contingent liabilities are disclosed in note 22.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2016 R	2015 R
2. Revenue		
Revenue from non-exchange transactions		
Department of Higher Education and Training	54,757,000	55,008,000
National Skills Fund & DHET - Career advice services	-	25,509,794
	54,757,000	**80,517,794**
Revenue from exchange transactions		
Evaluation fees	21,851,745	22,356,321
Verifications services	8,485,217	4,063,738
Rent	1,258,706	1,177,398
Profit on sale of property, plant and equipment	-	70,759
Sundry	3,523,395	4,983,743
	35,119,063	**32,651,959**
	89,876,063	**113,169,753**
3. Operating expenses		
Operating deficit for the year is stated after accounting for the following:		
Auditors' Remuneration		
External audit	1,491,005	1,299,559
Internal audit	364,186	364,272
	1,855,191	**1,663,831**
Board Members' Remuneration		
Remuneration of Chief Executive Officer		
Annual Remuneration	1,267,440	1,201,379
Contributions to Pension Fund	153,643	145,620
Performance Bonus	148,170	140,180
	1,569,253	**1,487,179**
Non-Executive Members		
Remuneration of chairperson		
Annual Remuneration	286,499	310,846

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

3. Operating expenses (continued)

	2016 R	2015 R
Remuneration of Members		
Meeting attendance fees	225,408	255,930
Travel reimbursement	45,326	63,801
Other services	165,316	136,160
	436,050	**455,891**
Employee Related Costs		
Remuneration	55,647,735	55,721,992
Pension Fund contributions	6,382,700	5,922,547
Statutory contributions	486,596	485,741
Performance Bonus	1,009,048	544,334
	63,526,079	**62,674,614**
Depreciation and Amortisation		
Buildings	94,272	65,675
Furniture and fixtures	258,073	183,740
Motor vehicles	26,035	13,892
IT equipment	1,655,046	1,533,231
Central air conditioning system	49,935	49,935
Intangible assets	848,200	1,100,002
	2,931,561	**2,946,475**
Operating lease charges		
Watercooler rental	43,805	44,335
Hygiene and Sanitiser Dispensers	-	11,411
	43,805	**55,746**
Other		
Loss on Transfer for no consideration of NCAP asset	-	9,242,520
Loss on disposal of property, plant and equipment	15,956	423,481
Loss on exchange differences	7,905	253
Printing	1,181,657	2,997,951
Consulting and professional fees	3,869,603	6,570,637
Advertising and advocacy	1,508,460	5,809,226
Other operating expenses	20,769,268	28,410,819
	27,352,849	**53,545,887**
Total Operating expenses	**98,001,287**	**123,049,469**

	2016 R	2015 R

4. Investment revenue

Interest revenue		
Corporation for Public Deposits	1,980,720	2,161,013

5. Inventories

Collateral	352,320	273,959
Stationery	244,058	194,184
	596,378	**468,143**

6. Receivables from exchange transactions

Trade debtors	5,363,921	2,767,892
Provision for Doubtful Debt	(416,710)	(152,565)
DHET Career Development Services Project	-	327,836
Staff debtors	75,135	59,244
EW SETA	192,323	192,323
	5,214,669	**3,194,730**

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired was assessed by reference to historical information about counterparty default rates:

Fair value of trade and other receivables

Trade and other receivables	5,214,669	3,194,730

Trade and other receivables not impaired

Trade and other receivables which are past due are not considered to be impaired as SAQA is confident that all amounts outstanding will be recovered in full. However, a provision for doubtful debt is raised for all debtors outstanding for greater than one year even although SAQA considers these amounts to be recoverable.

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

Current due (1 month)	3,176,041	2,020,994
2 months past due	845,234	189,035
>3 months past due	1,193,394	984,701
	5,214,669	**3,194,730**

The maximum exposure to credit risk at the reporting date is the value of each class of receivable mentioned above. SAQA does not hold any collateral as security. The trade receivables have not been discounted as the effects of discounting is immaterial.

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

	2016	2015
	R	R

7. Prepaid expenses

Electricity	59,235	115,062
E-Toll	751	976
Insurance	182,047	147,549
IT related expenses	380,263	436,811
Subscriptions	218,232	311,134
Conferences	491,783	-
Facilities related expenses	-	443,795
Sundry expenses	-	52,785
	1,332,311	**1,508,112**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,669	108
Bank balances	585,385	250,173
Corporation for Public Deposits	24,552,016	32,973,507
	25,141,070	**33,223,788**

The average weekly balance of funds held at the Corporation for Public Deposits over the financial year was R31.6 million (2015: R35.2 million) and the average interest rate over the same period was 6.33% (2015: 5.88%).

9. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
	R	R	R	R	R	R
Land	515,455	-	515,455	515,455	-	515,455
Buildings	14,189,496	(3,542,390)	10,647,106	13,194,370	(3,452,461)	9,741,909
Parking garage	4,047,110	(372,428)	3,674,682	4,047,110	(372,428)	3,674,682
Central air conditioning system	1,973,371	(1,725,098)	248,273	1,973,371	(1,675,163)	298,208
Subtotal: land and building	**20,725,432**	**(5,639,916)**	**15,085,516**	**19,730,306**	**(5,500,052)**	**14,230,254**
IT equipment	14,472,579	(10,324,052)	4,148,527	15,589,086	(10,979,290)	4,609,796
Motor vehicles	304,287	(52,715)	251,572	304,287	(26,679)	277,608
Furniture and fixtures	4,360,475	(2,809,418)	1,551,057	4,378,760	(2,950,675)	1,428,085
Total	**39,862,773**	**(18,826,101)**	**21,036,672**	**40,002,439**	**(19,456,696)**	**20,545,743**

9. Property, plant and equipment (continued)

Some of the items reflected in IT equipment and furniture and fixtures have a Nil carrying amount but are still in use within SAQA. It is the intention of SAQA to replace these items as soon as it is practically possible to do so.

Reconciliation of property, plant and equipment 2016

	Opening balance	Additions	Carrying amount on disposals	Depreciation	Total
	R	R	R	R	R
Land	515,455	-	-	-	515,455
Buildings	9,741,908	995,126	4,343	(94,271)	10,647,106
Parking garage	3,674,682	-	-	-	3,674,682
Central air conditioning system	298,208	-	-	(49,935)	248,273
Subtotal: land and building	**14,230,253**	**995,126**	**4,343**	**(144,206)**	**15,085,516**
IT equipment	4,609,796	1,203,321	(9,544)	(1,655,046)	4,148,527
Motor vehicles	277,608	-	-	(26,035)	251,573
Furniture and fixtures	1,428,085	391,802	(10,757)	(258,073)	1,551,057
	20,545,742	**2,590,249**	**(15,958)**	**(2,083,360)**	**21,036,673**

Reconciliation of property, plant and equipment 2015

	Opening balance	Additions	Carrying amount on disposals	Depreciation	Total
	R	R	R	R	R
Land	515,455	-	-	-	515,455
Buildings	8,700,346	1,107,238	-	(65,676)	9,741,908
Parking garage	3,674,682	-	-	-	3,674,682
Central air conditioning system	348,143	-	-	(49,935)	298,208
Subtotal: land and building	**13,238,626**	**1,107,238**	**-**	**(115,611)**	**14,230,253**
IT equipment	4,435,797	1,991,231	(284,001)	(1,533,231)	4,609,796
Motor vehicles	134,024	157,476	-	(13,892)	277,608
Furniture and fixtures	1,083,886	735,818	(207,879)	(183,740)	1,428,085
	18,892,333	**3,991,763**	**(491,880)**	**(1,846,474)**	**20,545,742**

SAQA acquired the land and buildings at 1067 Arcadia Street, Hatfield, Pretoria, Erf 637 Hatfield, on 1 October 2002 for R5,400,000. Net improvements to land and buildings to date amount to R15,325,432 (2015: R14,330,306).

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

9. Property, plant and equipment (continued)

	2016	2015
	R	R
Detailed cost of land and buildings		
Cost	5,400,000	5,400,000
Improvements		
2002	551,259	551,259
2004	5,041,314	5,041,314
2005	17,222	17,222
2006	59,530	59,530
2007	251,754	251,754
2008	3,889,380	3,889,380
2009	519,855	519,855
2010	54,059	54,059
2011	1,897,929	1,897,929
2012	154,900	154,900
2013	686,714	686,714
2014	99,152	99,152
2015	1,107,238	1,107,238
2016	995,126	-
	20,725,432	**19,730,306**

10. Intangible assets

	2016			2015		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R	R	R	R	R	R
DFQEAS workflow software	4,627,286	(3,695,460)	931,826	4,091,446	(3,376,038)	715,408
NLRD software	26,808,464	(25,377,227)	1,431,237	26,704,753	(25,045,346)	1,659,407
SAQA Website	331,972	(331,972)	-	331,972	(165,986)	165,986
License fees	459,378	-	459,378	-	-	-
Verification Database	190,943	(54,126)	136,817	177,764	(23,216)	154,548
Total	**32,418,043**	**(29,458,785)**	**2,959,258**	**31,305,935**	**(28,610,586)**	**2,695,349**

10. Intangible Assets continued

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
DFQEAS workflow software	715,408	535,840	(319,422)	931,826
NLRD software	1,659,406	103,712	(331,881)	1,431,237
SAQA Website	165,986	-	(165,986)	-
License fees	-	459,378	-	459,378
Verification Database	154,549	13,178	(30,910)	136,817
	2,695,349	**1,112,108**	**(848,199)**	**2,959,258**

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Disposals	Amortisation	Total
DFQEAS workflow software	1,073,112	-	-	(357,704)	715,408
NLRD software	1,899,493	78,656	-	(318,743)	1,659,406
SAQA Website	331,972	-	-	(165,986)	165,986
License fees	237,290	-	-	(237,290)	-
Verification Database	121,675	53,153	-	(20,279)	154,549
National Career Advice Portal	9,242,520	-	(9,242,520)	-	-
	12,906,062	**131,809**	**(9,242,520)**	**(1,100,002)**	**2,695,349**

All additions to intangible assets have arisen from internal development initiatives by SAQA, except for the additions to License fees which have been acquired seperately.

11. Deferred income

	2016 R	2015 R
Foreign Qualifications Evaluation and Advisory Services	13,138,010	6,796,748
Council on Higher Education	797,961	1,079,154
CHIETA	-	268,414
Rent received in advance	29,129	29,249
W&R SETA	1,120,657	2,035,746
	15,085,757	**10,209,311**

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

	2016 R	2015 R

12. Payables from exchange transactions

Trade payables	5,406,282	9,394,270
Accrued leave pay	2,373,603	2,185,892
Accrued bonus	847,962	749,557
	8,627,847	**12,329,719**

SAQA pays all its trade and other payables within 30 days of receipt of invoice in accordance with the terms of the PFMA and Treasury regulations.

SAQA does not know the timing of the payment, if any for any accrued leave pay as this is dependent on whether an employee remains in the service of SAQA or not. Any accrued bonus (13th cheque) is paid out in December each year or in the month after an employee leaves the employ of SAQA. These accruals have therefore not been included in the analysis table below.

The ageing of Trade payables is as follows:

Current due (1 month)	4,960,238	8,990,343
>3 months	446,044	403,925
	5,406,282	**9,394,268**

13. VAT payable from exchange transactions

VAT payable	24,479	22,270

14. Cash (used in)/generated from operations

Deficit before taxation	(6,144,504)	(7,718,704)
Adjustments for:		
Depreciation and amortisation	2,931,561	2,946,475
Loss on transfer at nil value of NCAP asset and CDS Assets	-	9,666,002
Loss / (Profit) on disposal of assets	15,956	(70,759)
Bad debts provision	264,145	50,928
Movements in operating lease assets and accruals	-	10,163
Movements in provisions	(387,788)	567,791
Changes in working capital:		
Inventories	(128,235)	(205,497)
Receivables from exchange transactions	(2,284,084)	8,577,465
Prepaid expense	175,802	(955,460)
Payables from exchange transactions	(3,701,871)	(7,611)
VAT	2,209	2,203
Deferred Income	4,876,446	3,511,867
	(4,380,363)	**16,374,863**

	2016 R	2015 R

15. Operating lease

Leases as Lessor

SAQA leases out offices in the Hatfield building under operating leases. The future minimum lease payments under noncancellable leases are as follows:

Less than one year	667,960	393,224
Between one and five years	-	-
	667,960	**393,224**
Amount to be recognised in future periods	667,960	393,224

16. Taxation

SAQA is exempt from income tax in terms of section 10 (1) cA of the Income Tax Act

17. Financial instruments

Risk management

Exposure to credit risk arises in the normal course of SAQA's business. Exposure to currency and interest rate risk is minimal. SAQA has an overall risk management plan that is approved by the Board and is reviewed by the Audit and Risk Committee annually. The Board has approved written policies covering specific areas such as investment policy, debtors policy, payables policy and other policies that SAQA's management adheres to.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Reputable financial institutions are used for investing and cash handling purposes.

At the statement of financial position date there was no significant concentration of credit risk. (Refer to note 8)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

SAQA manages liquidity risks by monitoring forecasted cash flows and ensuring that the necessary funds are available to meet any commitments which arise. SAQA further manages liquidity risk by only spending according to its approved budget which is fully funded. The budget is reviewed and approved annually by the Board and by the Minister of Higher Education and Training. Cash which is not needed immediately is invested with the Corporation for Public Deposits. As funds are needed, the necessary cash is transferred to SAQA's operations account. Creditors are paid within 30 days of receipt of invoice. See note 12 for an analysis of the timing of the payments to trade creditors.

Interest rate risk

SAQA's exposure to interest rate risk relates to the call deposit held with the Corporation for Public Deposits. The interest rate is updated weekly and is linked to the Treasury Bill rate. SAQA reviews the rate at regular intervals and compares the rate received to the rates available in the market from other large commercial banking institutions to ensure that it is receiving competitive rates. The funds held with the CPD are available on the same day if requested before 12h00.

On an average cash balance of R31.6 million (2015: R35.2 million), a 1% rise or fall in the interest rate would have an effect on income of either increasing income or decreasing it by R316 000 (2015: R352 000), having an effect of 0.34% (2015:0.31%) of total income.

Fair values

The fair values of all financial instruments are substantially identical to carrying amounts reflected in the statement of financial position.

18. Retirement benefit obligations

SAQA operates a defined contribution retirement plan covering all qualifying employees. The fund is governed by the Pension Funds Act, 1956 (Act No. 24 of 1956).

The assets of the fund are held in trust under the control of the umbrella Board of Trustees of the Orion Money Purchase Pension Fund (SA). Old Mutual is the fund underwriter. Fund assets consist primarily of monthly contributions paid over to the fund on behalf of the members by the participating employers. The underlying assets are invested in listed shares, fixed income securities, cash and deposits.

The total cost charged to income of R6,536,343 (2015: R6,068,167) represents contributions payable to the scheme by SAQA according to the rates specified in the rules of the scheme.

As at 31 March 2016 all contributions had been paid over to the scheme.

19. Subsequent events

No adjusting events, or non-adjusting events requiring disclosure, occurred after the reporting period.

20. Change in Accounting estimate

The estimated useful life of the DFQEAS workflow software was reviewed during the year and changed from 2 years remaining to 3 years remaining in the 2015/16 financial year. The change was made to better reflect the economic useful lifetime of the software as it is planned to redesign and reprogramme the workflow software from scratch in the future. This will only be completed over the next 3 years and thus the current software will need to be used until it can be replaced by the new software. The net effect of the change in accounting estimate in the current year was that amortisation on the DFQEAS workflow software was R319,422 instead of R438,657 should the software have been depreciated over 2 years.

21. Investment property

The Authority sub- lets a portion of the SAQA House building but has decided not to treat this property as an investment property as the Authority occupies a significant portion of the building for administration purposes. Accordingly, the leased floor space is treated as an operating lease of property, plant and equipment.

22. Contingent liabilities

In terms of section 53(3) of the PFMA, a public entity may not accumulate surplus funds without approval from the National Treasury. Approval has been requested from the National Treasury to retain cash surpluses amounting to R6,59 million, however, SAQA is still awaiting approval. In the past the National Treasury has allowed the retention of surplus funds.

An employee that had been dismissed took SAQA to the CCMA on a case for unfair dismissal. SAQA is reviewing and setting aside the CCMA award dated 29 February 2016. The review application has been drawn, served and filed at the Labour Court. The matter is opposed. Management is confident that its review will be favourable for SAQA. The estimated costs for SAQA will be approximately R50,000.

23. Commitments

	2016 R	2015 R
Committed and Contracted		
SAQA has the following contractual commitments that it has already entered into for the coming financial years		
Council on Higher Education Database Project	797,961	1,079,154
IT Related Costs	1,225,787	2,494,729
Facilities Costs	2,310,200	4,097,333
Professional Services	1,734,659	2,869,768
Advertisements and Advocacy	382,184	1,282,379
Stationery & Printing	274,957	244,316
	6,725,748	**12,067,679**

Research Proposal Commitments

In addition to the commitments in the table above, SAQA has entered into Research agreements with one institution. The total commitment into the future is R2,140,000. Should the research partner not perform according to the terms of the agreement, then SAQA has the right to cancel the agreement and to withhold any further payments to the institution.

Operating lease as Lessee

Minimum lease payments due		
-within one year	7,389	44,335
-in second to fifth year inclusive	-	7,389
	7,389	**51,724**

SAQA leases water coolers over a 24 month period. If no notice of cancellation is given within 90 days of the contract ending date, the lease is automatically renewed for a further 24 month period. The current contract expires on 31 May 2016. The current lease payment is R3,694.57 per month and there is no built in price escalations in the lease agreement. SAQA has given notice to the provider that SAQA is going to go out on an open bid for the further supply of water coolers. The current lease will therefore not be automatically renewed.

24. Public Finance Management Act

The SAQA is not aware of any material losses during the year from any criminal conduct and has not incurred any irregular, unauthorised or fruitless and wasteful expenditure during the financial year, except for the irregular expenditure as disclosed in note 31. SAQA has not had to carry out any criminal or disciplinary steps in the light thereof.

The SAQA has assessed the levels of materiality to be

- any amount which arises from criminal conduct
- R10 000 and above which results from irregular, fruitless or wasteful expenditure caused by gross negligence; or
- R 600 000 and above, being approximately 0,5% of gross revenue in respect of irregular, fruitless or wasteful expenditure caused by any other circumstance

The Board has decided that any transaction covered by section 54(2) of the Public Finance Management Act in excess of R1,3 million be reported on, being:

- The acquisition or disposal of a significant asset; and
- The beginning of a significant business activity.

No fruitless and wasteful expenditure caused by gross negligence above the value of R10 000 occurred during the year.

SAQA received R54,757,000 (2015: R55,008,000) from the government during the year. No financial commitments were made on the government's behalf.

	2016	2015
	R	R

25. Prior period errors

It was discovered during the year that inventory of collateral items that are kept for distributing as promotional items at conferences and exhibitions was not included in inventory stock in the previous financial years. The result is that inventory has been understated by R273 959 in the previous financial year and conference, advertising and printing expenditure has been overstated by an amount of R196 475 in the previous financial year.

The correction of the error(s) results in adjustments as follows:

Statement of financial position		
Increase in Inventory	-	273,959
Accumulated Surplus		
Opening Surplus as previously stated	-	45,429,048
Correction of error - inventory for 2013/14	-	77,484
Revised Opening Surplus	-	**45,506,532**
Closing accumulated surpluses as previously reported	-	37,513,868
Correction of error - inventory for 2013/14 and 2014/15	-	273,959
Closing Accumulated Surplus	-	37,787,827
Statement of Financial Performance		
Decrease in conference, advertising and printing costs	-	196,475

26. Provisions

Reconciliation of provisions 2016

	Opening Balance	Additions	Reversed / Utilised during the year	Total
Staff Performance Bonus	1,098,160	700,000	(1,098,160)	700,000
CEO Performance Bonus	188,580	198,952	(188,580)	198,952
	1,286,740	**898,952**	**(1,286,740)**	**898,952**

Reconciliation of provisions 2015

	Opening Balance	Additions	Reversed / Utilised during the year	Total
Legal fees	50,000	-	(50,000)	-
Staff Performance Bonus	500,000	1,098,160	(500,000)	1,098,160
CEO Performance Bonus	168,949	188,580	(168,949)	188,580
	718,949	**1,286,740**	**(718,949)**	**1,286,740**

South African Qualifications Authority
Annual Financial Statements
for the year ended 31 March 2016

27. Related parties

Identity of related parties

The entity has a related party relationship with public entities within the national sphere of government. The ultimate parent of SAQA is the government, represented by the Minister of Higher Education and Training. Arms-length transactions between related parties have not been reflected as per the exemption in IPSAS 20.27

Transactions with members of SAQA consist of remuneration and are disclosed in Note 3 to the financial statements and the names are detailed in the Accounting Authority Report.

	2016 R	2015 R
Transactions between SAQA, the DHET and its public entities:		
Grant		
Department of Higher Education and Training	54,757,000	55,008,000
Funds received for Services		
Council on Higher Education	1,438,390	1,577,315
DHET / National Skills Fund - Career Advice Services	327,836	40,577,870
Wholesale and Retail SETA	-	2,500,000
CHIETA	-	375,143
	1,766,226	**45,030,328**
Balance Owing to SAQA by Entity		
DHET Career Development Services	-	(327,836)
Energy and Water SETA	(192,323)	(192,323)
	(192,323)	**(520,159)**

28. Directors' emoluments

2016

	Remuneration	Contribution to retirement plan	Performance bonus paid	Total
Chief Executive Officer	1,267,440	153,643	148,170	1,569,253
Deputy Chief Executive Officer	1,183,765	157,315	-	1,341,080
Director: In the Office of the Executive Office	725,724	105,209	-	830,933
Director: International Liaison	885,171	122,108	-	1,007,279
Director: Finance and Administration	1,203,984	140,190	-	1,344,174
Director: Advocacy Communications and Support	792,756	96,342	-	889,098
Director: Foreign Qualifications Evaluations and Advisory Services	837,757	113,578	-	951,335
Director: Information Technology	801,617	108,269	-	909,886
Director: Human Resources	967,216	121,968	-	1,089,184
Director: National Learners' Records Database	965,125	126,601	-	1,091,726
Director: Registration and Recognition	837,757	113,578	-	951,335
Director: Research	775,904	113,194	-	889,098
	11,244,216	**1,471,995**	**148,170**	**12,864,381**

2015

	Remuneration	Contribution to retirement plan	Performance bonus paid	Total
Chief Executive Officer	1,201,379	145,620	140,180	1,487,179
Deputy Chief Executive Officer	1,116,991	148,179	-	1,265,170
Director: Office of the CEO (Appointed 24 November 2014)	240,114	33,244	-	273,358
Director International Liaison (Appointed 01 March 2015)	65,356	9,646	-	75,002
Director: International Liaison (Resigned 30 September 2014)	416,983	52,708	27,409	497,100
Director: Finance and Administration	1,136,251	131,838	-	1,268,089
Director: Advocacy Communication and Support	747,927	90,844	-	838,771
Project Director: Advocacy Communications and Support (Resigned 30 April 2014)	90,878	9,333	-	100,211
Director: Foreign Qualifications Evaluation and Advisory Services	789,821	107,665	-	897,486
Director: Information Technology (Retired 31 May 2014)	182,986	20,761	-	203,747
Director: Information Technology (Appointed 01 July 2014)	553,449	76,975	-	630,424
Director: Human Resources	912,397	115,135	-	1,027,532
'Director: National Learners' Records Database	907,765	119,767	-	1,027,532
Director: Registration and Recognition	789,821	107,665	-	897,486
Director: Research	731,470	107,301	-	838,771
	9,883,588	1,276,681	167,589	11,327,858

29. Accounting Standards

The following statements and interpretations are not yet effective in preparing the financial statements of SAQA as per Directive 5 issued by the Accounting Standards Board. The effect of the changes to the financial statements of SAQA, if any, once implemented, will not be material.

* GRAP 32 Service Concession Arrangements: Grantor
* GRAP 108 Statutory Receivables
* IGRAP 17 Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset

Standards of GRAP that an entity may use to disclose information in its financial statements:

* GRAP 20 Related Party Disclosures

30. Comments to the statement of comparison of budget and actual amounts

Revenue

Income from services rendered is lower than budgeted due to:

R7,15 million less fee income recognised for the evaluation of foreign qualifications than budgeted for. The reason for this is due to the additional step in the evaluation process whereby qualifications are first verified with the foreign institution before the local equivalent on the South African NQF can be determined. This has led to a lengthening of the process which has resulted in the deferred income almost doubling while the income recognised has remained almost the same.

R1,99 million more income generated for the verification of qualifications income. A significant increase in demand for the service has been experienced in February and March 2016 and this can partly be accredited to the DPSA directive to Departments to verify prospective employee qualifications with SAQA.

Rental income received is slightly above budget due to addditional parking spaces that were let out during the year as well as an increase in the rates and electricity recovered from the tenants.

R0,68 million less sundry income received due to fund raising initiatives that generated less income than was anticipated.

Investment revenue was higher than budgeted for by R0,33 million due to a higher average interest rate (0,45% more) than was anticipated.

Surplus funds from prior years of R9,5 million were included in the budget. Approval was received from National Treasury to retain the surplus.

Expenditure

Personnel costs is underspent by R4,65 million due to the following:

Some of the vacancies for the more senior positions have taken longer to fill than planned especially the specialist positions in the Research and NLRD directorates. The process to recruit and appoint persons with the required expertise to the senior positions has been challenging and has resulted in the funds not being spent. The DFQEAS directorate was in the process of changing and streamlining its business processes and procedures to enhance service delivery. As a result thereof, positions that were budgeted for initially were not yet filled. These vacancies will be filled in the new year.

SAQA does not include depreciation and amortisation in its budget and this is the only reconciling item when comparing the budgeted amounts to the actual outcomes.

All of the normal ongoing repairs and maintenance was completed during the year. Additional funds were allocated via virements for some additional repairs and maintenance to take place to the lighting and for energy efficiency initiatives including the acquisition of solar panels to harvest energy. Due to timing issues, not all of the additional repairs and maintenance was done by the year end which resulted in the under expenditure.

30. Comments to the statement of comparison of budget and actual amounts (continued)

The general expenditure is underspent by an aggregate of R3,50 million.

1. There were savings of R1,16 million on staff training, educational assistance, employee wellness and staff recruitment costs.
2. There was a saving on conference costs of R0,49 million due to SAQA hosting conferences and events on SAQA's own premises where possible instead of paying for an external venue.
3. Advertising expenditure of R0,47 million was overspent due to the radio campaign project for the W&R SETA.
4. Saving on printing and photocopying costs of R0,5 million was realised due to SAQA using electronic media as much as possible to save on printing costs.
5. There was a saving and under expenditure of R1,73 million for Professional Consulting fees, with R1 million being for a project for the digitisation of pre 1992 learners records onto the NLRD. The contract for this project will only be awarded in the new year.
6. Some of the funds budgeted for research partnership costs, legal fees and fees for the verification of qualifications were not spent during the year, resulting in a saving of R0,55 million.
7. During the year some additional expenditure was incurred on IT support and maintenance costs totalling R0,46 million after taking into account savings on other smaller IT related expenditures.

Property, plant and equipment (PPE) was underspent by R0,83 million as a result of not having been able to spend the additional budget allocated to the PPE by year end. This amount had been allocated to upgrade the lift controllers and drives in the SAQA building.

The funds spent on intangible assets was to improve the functionality of the NLRD and Verification databases as well as for the development of an online application system for the DFQEAS software system. This also includes license fees for the coming year.

31. Irregular expenditure

	2016	2015
	R	R
Irregular Expenditure - current year	710,000	-

Details of irregular expenditure

During the financial year, SAQA entered into an agreement with the Durban University of Technology (DUT) as research partner for research into TVET college-HEI articulation. An amount of R710,000 was paid to DUT during the financial year. An extensive process was followed to appoint the DUT, however the approval process requires the final approval for single-source selection to be approved by the Executive Committee, which was not done.

The Board will initiate an investigation into this matter to satisfy itself that there was no unethical intent involved and that SAQA dit not incur any loss due to the transgression The matter will accordingly be reported to the DHET and the National Treasury.

32. Segment information

General information

Identification of segments

The entity is organised and reports to management on a programme basis. There are six (2014/15: seven) different programmes each with its own area of responsibility as set out in the APP on pages 45 to 102. Programme 1 - Administration is aligned with National Treasury's recommendation that the support functions form part of this Programme. There are five sub-programme's which are included in Programme 1. The other Programme's have been organised around the specific functions and deliverables that these Programme's are set to achieve in line with SAQA's mandate and functions in terms of the NQF Act.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The entity operates from its offices in Pretoria and does not have any other business premises from which its conducts any operations. Programme 1 reflects aggregated information on the basis of the administration and support functions that the sub-programme's contribute to the entity's services The verifications project and NLRD services have been aggregated under Programme 3 on the basis that they both utilise the NLRD to fulfill its functions. All the other Programme's have not been aggregated and are reflected separately based on the services rendered by each Programme.

Types of goods and/or services by segment

These reportable segments with the revenue and expenditure for each segment are set out in the tables below. The Total column of the segment revenue agrees to and reconciles with note 2 above while the Total column of the segment expenditure agrees to and reconciles with note 3 above. The resultant aggregate deficit of the segments agrees with the deficit as reflected in the statement of financial performance. The entity does not report segmented information on the assets and liabilities of the different Programmes as these are managed on a centralised basis by the administration and support Programme and are not reported on separately to Management.

32. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2016	Programme 1 - Administration & Support	Programme 2 - Directorate Recognition and Registration	Programme 3 - NationalLearners' Records Database plus Verifications	Programme 4 - DFQEAS	Programme 6 - Research	Programme 7 - International Liaison	Total
Revenue							
Revenue from non-exchange transactions	54,757,000	-	-	-	-	-	54,757,000
Evaluation Fees	-	-	-	21,851,745	-	-	21,851,745
Verification Services	-	-	8,485,217	-	-	-	8,485,217
Rent	1,258,706	-	-	-	-	-	1,258,706
Other Income (Sundry)	1,613,440	719,687	737,839	144,240	51,000	257,189	3,523,395
Interest Received	1,980,720	-	-	-	-	-	1,980,720
Total segment revenue	**59,609,866**	**719,687**	**9,223,056**	**21,995,985**	**51,000**	**257,189**	**91,856,783**

32. Segment information (continued)

	Programme 1 - Administration & Support	Programme 2 - Directorate Recognition and Registration	Programme 3 - National Learners' Records Database plus Verifications	Programme 4 - DFQEAS	Programme 6 - Research	Programme 7 - International Liaison	Total
Expenditure							
Auditors' Remuneration	1,855,191	-	-	-	-	-	1,855,191
CEO Remuneration	1,569,253	-	-	-	-	-	1,569,253
Non-Executive Board Member Remuneration	722,549	-	-	-	-	-	722,549
Employee Related Costs	23,594,280	6,711,973	10,389,168	19,386,095	1,600,863	1,843,701	63,526,080
Depreciation and Amortisation	2,931,561	-	-	-	-	-	2,931,561
Operating Lease Charges	43,805	-	-	-	-	-	43,805
Loss on disposal of PPE	15,956	-	-	-	-	-	15,956
Loss on exchange differences	7,905	-	-	-	-	-	7,905
Printing	767,975	156,075	5,182	182,069	32,994	37,362	1,181,657
Consulting and professional Fees	1,460,167	317,592	47,539	688,781	1,078,066	277,457	3,869,602
Advertising and advocacy	1,507,554	-	906	-	-	-	1,508,460
Other operating expenses	14,795,555	439,459	1,531,180	3,567,726	321,944	113,405	20,769,269
Total segment expenditure	**49,271,751**	**7,625,099**	**11,973,975**	**23,824,671**	**3,033,867**	**2,271,925**	**98,001,288**
Total segmental surplus/(deficit)	**10,338,115**	**(6,905,412)**	**(2,750,919)**	**(1,828,686)**	**(2,982,867)**	**(2,014,736)**	**(6,144,505)**

32. Segment information (continued)

2015	Programme 1 - Administration & Support	Programme 2 - Directorate Recognition and Registration	Programme 3 - National Learners' Records Database plus Verifications	Programme 4 - DFQEAS	Programme 5 - Career Development Services	Programme 6 - Research	Programme 7 - International Liaison	Total
Revenue								
Revenue from non-exchange transactions	55,008,000	-	-	-	25,509,794	-	-	80,517,794
Evaluation Fees	-	-	-	22,356,321	-	-	-	22,356,321
Verification services	-	-	4,063,738	-	-	-	-	4,063,738
Rent	1,177,398	-	-	-	-	-	-	1,177,398
Profit on sale of PPE	70,759	-	-	-	-	-	-	70,759
Other Income (Sundry)	3,060,734	1,126,755	230,246	201,813	-	62,980	301,215	4,983,743
Interest received	2,161,013	-	-	-	-	-	-	2,161,013
Total segment revenue	**61,477,904**	**1,126,755**	**4,293,984**	**22,558,134**	**25,509,794**	**62,980**	**301,215**	**115,330,766**

32. Segment information (continued)

	Programme 1 -Administration & Support	Programme 2 - Directorate Recognition and Registration	Programme 3 - National Learners' Records Database plus Verifications	Programme 4 - DFQEAS	Programme 5 - Career Development Services	Programme 6 - Research	Programme 7 - International Liaison	Total
Expenditure								
Auditors' Remuneration	1,663,831	-	-	-	-	-	-	1,663,831
CEO Remuneration	1,487,179	-	-	-	-	-	-	1,487,179
Non-Executive Board Member Remuneration	766,737	-	-	-	-	-	-	766,737
Employee Related Costs	22,661,124	5,726,029	8,356,365	14,516,739	7,955,629	2,441,521	1,017,207	62,674,614
Depreciation and Amortisation	2,946,475	-	-	-	-	-	-	2,946,475
Operating Lease Charges	55,746	-	-	-	-	-	-	55,746
Loss on transfer of NCAP asset	9,242,520	-	-	-	-	-	-	9,242,520
Loss on disposal of PPE	423,481	-	-	-	-	-	-	423,481
Loss on exchange differences	253	-	-	-	-	-	-	253
Printing	636,181	71,558	5,864	154,051	2,075,667	8,963	45,667	2,997,951
Consulting and professional Fees	1,924,737	932,395	417,861	326,059	1,646,667	1,295,380	27,539	6,570,638
Advertising and advocacy	2,877,666	-	-	-	2,931,560	-	-	5,809,226
Other operating expenses	12,647,798	258,947	1,101,376	4,897,435	9,234,498	164,022	106,744	28,410,820
Total segment expenditure	**57,333,728**	**6,988,929**	**9,881,466**	**19,894,284**	**23,844,021**	**3,909,886**	**1,197,157**	**123,049,471**
Total segmental surplus/(deficit)	**4,144,176**	**(5,862,174)**	**(5,587,482)**	**2,663,850**	**1,665,773**	**(3,846,906)**	**(895,942)**	**(7,718,705)**

Information about geographical areas

The entity's operations are based in Pretoria in the Gauteng Province.

NOTES

NOTES

"I take this opportunity to sincerely thank the previous SAQA Board for their outstanding leadership. There is much to be done, but we are fortunate to have been given a solid foundation to further build on."

VYONI PRINSLOO, CHAIRPERSON OF THE 4TH SAQA BOARD

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