Quality Council for Trades and Occupations (QCTO) Annual Report 2020/21

Briefing to the Portfolio Committee on Higher Education, Science and Innovation

10 November 2021

Ms. Sibongile Antoni

Acting Council Chairperson

Acknowledgements and Congratulations

Acting Chairpersons Opening Remarks

*"As we move into the new decade, we embrace life post- COVID-19, where we look at new opportunities and possibilities (**Amathuba Namathuba**) amidst the devastation caused by the disruption and long-lasting impact of the COVID-19 pandemic on lives and livelihoods.*

This Annual Report 2020/21 is themed: From **Emergency** to **Emergence**, which illustrates QCTO's responsiveness and agility towards the disruption caused by the pandemic – **Emergency** – its resolve as we move to a post-pandemic era – **Emergence**.*"

Mr. Samuel Zungu

Former Chairperson of the Third Council

Snapshot Overview of QCTOs evolving Mandate

QCTO Quality Council for Trades & Occupations

ERRP

- *Skills development is critical not only in driving South Africa's economic reconstruction and recovery but also in sustaining it" listed as a key enabler*

ERR SS

- Department of Higher Education and Training's COVID-19 Draft Economic Reconstruction and Recovery Skills Strategy

QCTO Draft Plan of Action

- Framework for QCTO to rapidly respond to ERRPSS
- Council endorsed
- Resources

SP and APP

Revised SP 2020/21-2024/25

APP 2022/23

Occupational Qualifications Sub-Framework (OQSF) Policy

Strategic Imperatives

- Creating a dynamic Occupational Qualifications Sub- Framework (OQSF),

- Adopting a special focus on Technical and Vocational Education and Training (TVET) Colleges and Community Education and Training (CET) Colleges

- Creating a QCTO that is a learning organisation

Annual Report 2020|21

Fifth Consecutive Clean Audit Outcome

PART A

General Information

"The 2020/21 financial year marked the beginning of a pandemic that no one ever predicted. The impact of the COVID-19 pandemic severely disrupted and impacted the way of life as we used to know it. We are all having to adjust to a new normal".
This Annual Report 2020/21 will illustrate the QCTO's responsiveness and agility towards the disruption caused by the pandemic –

Emergency – and the resilience it showed in response to the pandemic – Emergence."

Presentation Highlights (as per invitation)

- The reasons for deviation in each of the targets that were not achieved in the 2020/21 financial year and progress towards achieving them;

- Details of irregular, fruitless and wasteful expenditure incurred during the year under review and progress on the investigation as well as implementation of consequence management against those who transgressed the Supply Chain Management policy;

- Update with organisational restructuring process;

- Action plan with timeframes to address the audit findings raised by the Auditor-General; and

- Funding requirements of the QCTO for the 2022 MTEF period.

VISION:
Qualify a skilled and capable workforce

MISSION:
QCTO's mission is to effectively and efficiently manage the occupational qualifications sub-framework in order to set standards, develop and quality assure national occupational qualifications for all who want a trade or occupation and, where appropriate, professions

VALUES:
- **Innovation and Excellence**
  - We rise to opportunities and challenges, we continuously learn, we are innovative and we consistently produce work of distinction and fine quality, on time, and in line with our clients' needs
- **Empowerment and Recognition**
  - We enable people to make things happen, we encourage and support one another when and where needed, and we celebrate successful accomplishment of work
- **Respect and Dignity**
  - We value and show consideration for all the people we work with, treat one another with kindness and thoughtfulness, and embrace inclusivity
- **Ethics and Integrity**
  - We embrace and practice a moral code of trustworthiness, honesty and truthfulness in everything we say and do, and we honour our promises and commitments
- **Ownership and Accountability**
  - We take ownership of our responsibilities and we answer for our decisions and actions
- **Authenticity**
  - We protect the public by issuing authentic, quality qualifications

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- The QCTO is established in terms of the Skills Development Act (Act 37 of 2008) and was listed as a Schedule 3A Public Entity under the Public Finance Management Act, effective from 1 April 2010 (Gazette Notice 33900).
- The NQF Act (Act 67 of 2008) repositioned the QCTO as a Quality Council responsible for the development and management of the Occupational Qualifications Sub-Framework (OQSF).

Legislative and other Mandates

Policy Imperatives

- Medium-Term Strategic Framework (MTSF 2019-2024).
- White Paper for Post-School Education and Training (WP PSET).
- National Development Plan (NDP).
- National Skills Development Plan (NSDP).
- Draft National Plan for PSET (NP PSET).
- Ministerial Guidelines on Implementation of the National
  Qualifications Framework (NQF).
- Revised Strategic Plan 2020/21 to 2024/25 of the Department of Higher Education and Training.
- NQF Evaluation Improvement Plan.
- Determination of sub-frameworks that comprises the NQF
  (2020).
- Economic Reconstruction and Recovery Plan (ERRP)
- Economic Reconstruction and Recovery Plan (ERRP) Skills Strategy

Supports the National Development Plan (NDP) target of 30 000 artisans per annum by 2030

QCTO contributes to Priority 3: Education, Skills and Health

Expand access in the PSET system

Quality provisioning and a renewed focus of TVETs and CETs as institutions of choice

PSET system that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives

Quality Assurance Function (QAF) needs to be streamlined

The quality assurance conducted by SETAs and NAMB will be integrated into the QCTO.

Funding allocation from the fiscus and skills levy will be reviewed to ensure that QCTO is adequately resourced to comply with its legislative mandate

Expanded access to PSET opportunities.

Improved success and efficiency of the PSET system

Improved quality of PSET provisioning.

A responsive PSET system

The ERRP further emphasises that skills development, science and innovation as not only critical in driving South Africa's economic reconstruction and recovery, but also key in sustaining it.

As a result, the Department developed a draft Skills Strategy to support government's efforts to mitigate the impact of COVID-19 and the initiatives towards economic and social recovery.

Situational Analysis

QCTO SWOT

EXTERNAL

INTERNAL

Opportunities

- COVID-19: Multi-modal learning and assessment
- On demand assessment – item bank
- Revised OQSF Policy – Future World of Work
- Rise in unemployment = increase in demand for qualifications and skills programmes
- ERRP & ERR SS: mainstreaming of occupational qualifications and skills programmes for economic growth

Strengths

- Legislated mandate
- MoUs with SETA re Quality Assurance
- Governance framework in place
- Policies, processes and systems in place
- Five consecutive clean audits
- Linkages and Partnerships Internationally and Nationally.

Threats

- Long term effects of COVID-19 pand...
- Need for agility and responsiveness
- Legislative changes and Inhibitors
- Long term effects of the four month skills levy holiday
- Lack of adequate funding to ensure execution of QCTO legislative mandate
- Increase in scope – ERRP & ERRSS

Weaknesses

- Inadequate capacity
- Slow response rate
- Attracting and retaining quality staff
- Disruption of information technology – not adequately skilled and trained staff
- Unstable funding environment.

Key policy developments

STAATSKOERANT, 14 DESEMBER 2012   No. 36003   3

GENERAL NOTICE

NOTICE 1040 OF 2012

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

NATIONAL QUALIFICATIONS FRAMEWORK ACT, 2008 (ACT 67 OF 2008)

GENERAL AND FURTHER EDUCATION AND TRAINING QUALITY ASSURANCE ACT, 2001 (ACT 58 OF 2001)

HIGHER EDUCATION ACT, 1997 (ACT 101 OF 1997)

SKILLS DEVELOPMENT ACT, 1998 (ACT 98 OF 1998)

DETERMINATION OF THE SUB-FRAMEWORKS THAT COMPRISE THE NATIONAL QUALIFICATIONS FRAMEWORK

- The publication of the *Determination of the Sub-Frameworks that comprises the National Qualifications Framework (NQF), on 24 December 2020*, paved the way for the re-gazetting of the Revised Occupational Qualifications Sub-Framework (OQSF) Policy (2021).

- Minister approved the Occupational Qualifications Sub-Framework on 21 September 2021

GAME CHANGER IN THE PSET SECTOR
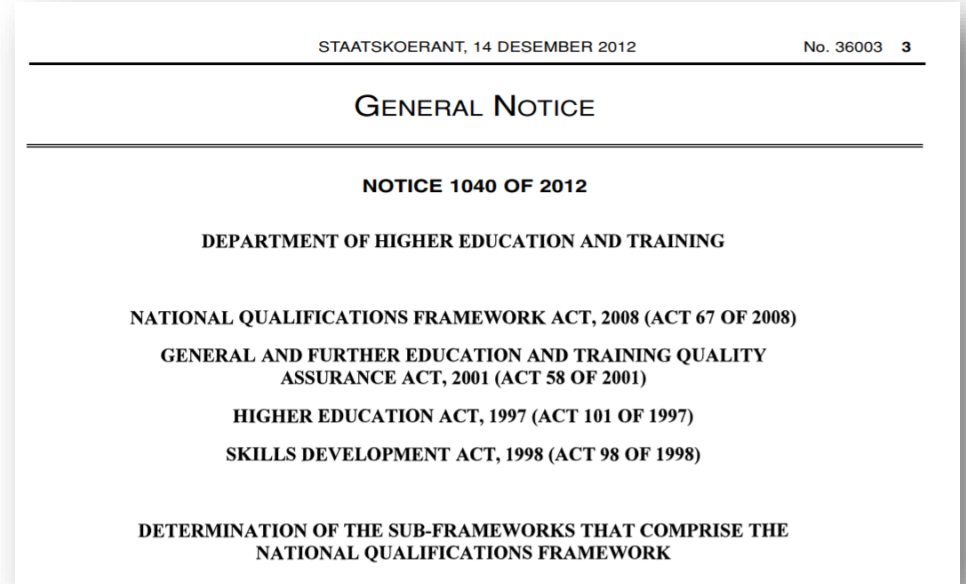
Progress: Institutional Impacts and Outcomes Strategic Plan 2020/21 – 2024/25

QCTO's vision of qualifying a skilled and capable workforce that is more *employable or self-employed*.

Strategic Plan 2020/21 – 2024/25.

Strategic Imperatives

Creating a dynamic Occupational Qualifications Sub- Framework (OQSF),

Adopting a special focus on Technical and Vocational Education and Training (TVET) Colleges and Community Education and Training (CET) Colleges

Creating a QCTO that is a learning organisation

Response to the key national imperatives and commitments made by the sixth administration

Outcome One

A single national quality assured Occupational Qualifications Sub-Framework that promotes synergy, simplification and effectiveness

QCTO
Quality Council for Trades & Occupations

Indicators	Baseline	2024/25 targets	Progress
1.1 Quality assurance functions performed by the QCTO for qualifications and part qualifications on the OQSF evaluated and reported on.	QCTO currently performs all QA functions (accreditation, quality assurance of provisioning, quality assurance of assessment and certification) for newly registered occupational qualifications and provides an Annual Report of such activities	An evaluation report on the quality assurance functions performed by the QCTO for qualifications and part qualifications on the OQSF over 5 years	• **QCTO performs all quality assurance functions for Occupational Qualifications.** • **Service Level Agreement with SETAs signed on Quality Assurance Functions for Historically registered qualifications.**
1.2 Level of Articulation between the OQSF, GENFETQA and HEQSF	**No baseline established as yet**	**An evaluation report on the extent of articulation of qualifications on the OQSF with qualifications on the other two Sub frameworks (GENFETQA and HEQSF)**	• **A draft revised OQSF Policy will be published once approved by the Minister: HESI. This policy will emphasize articulation possibilities and will provide the framework within which to evaluate the level of articulation.**

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Outcome One

A single national quality assured Occupational Qualifications Sub-Framework that promotes synergy, simplification and effectiveness

Indicators	Baseline	2024/25 targets	Progress
1.3 Uptake of occupational qualifications	11% (32 out of 300)	60%	9% (46 Occupational Qualifications active out of 498 Registered Occupational Qualifications to current date) **Reason for low uptake** ➤ historically registered qualifications expiring only in 2023 ➤ SDPs need to upskill and invest in technology ➤ Restricted funding opportunities.
1.4 Level of Industry satisfaction with the OQSF	No baseline established as yet	Evaluation report on the extent of Industry satisfaction with the OQSF	**Research work has commenced**
1.5 Number of comparable Qualifications Frameworks against which the OQSF is benchmarked	No baseline established as yet	5	**Research work has commenced.**

Outcome Two

Public TVET and CET Colleges offer occupational qualifications and skills programmes that respond to skills needs of our country

QCTO
Quality Council for Trades & Occupations

Indicators	Baseline	2024/25 targets	Progress
2.1 Number of occupational qualifications, part qualifications and skills programmes offered by TVET Colleges	14 occupational trade qualifications	As per agreed targets in the approved Ministerial Plan based on the DHET Strategic Plan	**Ministerial Plan being finalised**
2.2 Number of occupational qualifications, part qualifications and skills programmes offered by CET Colleges	No baseline established as yet	As per agreed targets in the approved Ministerial Plan based on the DHET Strategic Plan	**Ministerial Plan being finalised**
2.3 Number of TVET Colleges offering occupational qualifications, part qualifications and skills programmes	25 TVETs	As per agreed targets in the approved Ministerial Plan based on the DHET Strategic Plan	**Ministerial Plan being finalised**
2.4 Number of CET Colleges offering occupational qualifications part qualifications and skills programmes	**No baseline established as yet**	**As per agreed targets in the approved Ministerial Plan based on the DHET Strategic Plan**	**Ministerial Plan being finalised**

Revised SP 2020/21 – 2024/25 (Still to be approved)

Outcome Two

Outcome 2	Target	Revised Outcome 2	Target
Public TVET and CET Colleges offer occupational qualifications and skills programmes that respond to skills needs of our country	As per agreed targets in the approved Ministerial Plan based on the DHET Strategic Plan	QCTO to ensure the development and quality assurance of occupational qualifications, part qualifications and skills programmes that are responsive to labour market and developmental state initiatives	80 % Percent of qualifications developed as identified in the DHET Economic Reconstruction and Recovery Skills Strategy Ministerial Plan being finalised

Outcome Three

QCTO is a responsive learning organisation

Indicators	Baseline	2024/25 targets	Progress
QCTO is a responsive learning organisation	No baseline established as yet	An evaluation report that measures sectoral perceptions of the relevance and responsiveness of the QCTO and the OQSF	Research Unit has begun to gather information for the report

- The QCTO hereby reports against its Annual Performance Plan 2020/21 as approved by the Minister on 6 March 2020
- The Minister approved an addendum to the Annual Performance Plan 2020/21 on 9 August 2020 but this letter was only sent to the QCTO Office on 19 February 2021 due to an administrative error.
- In response to COVID-19 funding National Treasury reprioritisation, the DHET allocation to the QCTO has been reduced by R1,928 million from R27,435 million to R25, 507 million.
- The SETA Grant remained at R97,2 million. The net impact is a reduction of total operational budget from R124,635 million to R122,707 million (1,5%)

Institutional Programme Performance

- No changes were made to any outputs or output indicators.
- Only 10 targets were revised out of 28 targets for the financial year. The QCTO achieved 64% (18 out of 28) of its targets during the year under review, which is a decline from the previous year (75%) and was mainly due to the COVID-19 Pandemic alert levels and the restrictions attached thereto.

Programme 1: Administration

Programme Purpose	• To enable QCTO performance through strategic leadership and reliable delivery of management support services that will ensure a responsive and learning organization (includes IT, HR and Marketing and Communication)
Significant Achievements	• Completion of the QCTO's Master Systems Plans (MSP) including the Security Architecture. • Implementation of the Digital Records Management System aligned to the QCTO's approved File Plan. • A new state of the art interactive QCTO website ready to be launched in April 2021. • Enablement tools and systems which allowed the QCTO to remain operational during the COVID-19 lockdown. • 100% implementation of the Annual Marketing and Communications Plan 2020/21 deliverables.

Programme 1: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 20/2021	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
QCTO is a responsive learning organization **(Linked to Outcome 3)**	1.1 A capacity building strategy is developed and implemented	1.1.1 A capacity building strategy is approved by required structures	N/A	N/A	New indicator Capacity building strategy approved by MANCOM	**Not achieved**	Capacity building strategy developed but not yet approved by MAN-COM	**Delays in the internal processes as a result of the National Lockdown**
	1.2 MSP is developed and implemented	**1.2.1 MSP is approved by Council**	**N/A**	**N/A**	**New indicator MSP approved by Council**	**Not achieved**	**MSP developed but not yet approved by MAN-COM**	**Delays in the SCM processes as a result of the National Lockdown**

Programme 1: Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 20/2021	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
QCTO is a responsive learning organisation	1.3 A marketing and communications strategy is developed and implemented	1.3.1 Marketing and communications strategy is approved by Council	N/A	N/A	New indicator Marketing and communications strategy is approved by Council	Achieved	N/A	**N/A**
	1.4 A change management strategy is developed and implemented	**1.4.1 A change management strategy is approved by required structures**	**N/A**	**N/A**	**New indicator Change management strategy approved by MANCOM**	**Not achieved**	Change management strategy developed but not yet approved by MANCOM	**Delays in the SCM processes as a result of the National Lockdown**

Programme 1: Administration

Strategy to overcome areas of under performance

- The MSP, Capacity Building Strategy, and Change Management Strategy were developed however, by year end these were en-route for approval by MANCOM and the Council. Approval will take place in the 2021/22 financial year

Update on Strategy to overcome areas of under performance

- MSP, Capacity Building Strategy and Change Management Strategy have since been approved by Council and is currently in the implementation phase.

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Programme 2: Occupational Qualifications Management and Certification

Programme Purpose

- To ensure that occupational qualifications, part-qualifications and skills programs on the OQSF are available; issue certificates to qualifying learners; verify the authenticity of issued certificates; and maintain stakeholder relationships.

Significant Achievements

- Registration of more than 60 occupational qualifications in 2020/21
- Skills programmes introduced. These will be rapidly developed to meet the skills need of the country
- OQSF "clean up" A total of 230 historically registered qualifications categorised as misallocated qualifications were recommended to SAQA for deactivation
- Issued 1695 Occupational certificates which reflects an uptake in Occupational qualifications. Since taking over the function in November 2013 the QCTO has issued 129 570 Trade Certificates.
- The first set of test data for Occupational Certification data was sent to SAQA and uploaded to the NLRD.
- Targets for digitisation objective was achieved and exceeded

Programme 2: Occupational Qualifications Management and Certification

Outcome: A single national quality assured Occupational Qualifications Sub-framework that promotes synergy, simplification and effectiveness

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
2.1. Occupational qualifications and part qualifications recommended for registration on the OQSF	2.1.1 Number of prioritised occupational qualifications (full/ part) recommended to SAQA for registration on the OQSF	Achieved 76 prioritised occupational qualifications (35 full and 41 part) recommended	Achieved 89 prioritised occupational qualifications (64 full and 25 part) were recommended to SAQA for registration on the OQSF	60 (Revised down from 120)	Achieved 71 prioritised occupation-al qualifications (54 full and 17 part qualifications) recommended to SAQA for registration on the OQSF	There were 11 more prioritised qualifications recommended to SAQA for registration on the OQSF than the initial target of 60	The higher number is attributed to an increase in the number of qualifications received for evaluation from Development Quality Partners (DQPs). QCTO and DQPs were able to use virtual plat-forms to facilitate the development of qualifications even during the time when the country was affected by the impact of COVID-19

Programme 2: Occupational Qualifications Management and Certification

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	2.1.2 Number of Historically Registered Qualifications recommended to SAQA for deactivation on the OQSF	N/A	N/A	New indicator 50 **(Revised down from 100)**	Achieved 230 Historically registered Qualifications recommended to SAQA for deactivation	There were 180 more historically registered qualifications recommended to SAQA for deactivation on the OQSF than the initially planned for target of 50	The deviation was a result of a once off initiative that the QCTO embarked on together with SAQA to clean its Sub framework of misallocated qualifications

Programme 2: Occupational Qualifications Management and Certification

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achieve- ment 2020/21	Reasons for deviation
	2.1.3 Number of skills programmes approved by QCTO Council	N/A	N/A	New indicator 80	Not achieved 3 Skills Programmes approved by QCTO Council	There was a shortfall of 77 skills programmes from an overall expected total of 80	The deviation is attributable to: • Skills programmes applications submitted are not meeting requirements • QCTO in-house delays in the processing of skills programme applications • Impact of Covid-19 Lockdown

Programme 2: Occupational Qualifications Management and Certification

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achieve-ment 2020/21	Reasons for deviation
	2.2 A certification system is maintained	2.2.1 % of certificates issued within the turnaround time (21 working days)	Achieved 100%	Achieved 100%	95%	Achieved 100%	5%	Due to business continuity and effective monitoring of processes, all requested certificates were processed within the turnaround time.
			19 972 of 19 972 certificate (Legacy trades) applications approved issued within the 21 working day turnaround time	18 887 of 18 887 certificate (Legacy trades) applications approved issued within the 21 working day turnaround time		12 934 out of 12 934 certificates (Legacy trades) applications approved issued within the 21 working day turnaround time		

Programme 2: Occupational Qualifications Management and Certification

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
		2.2.2 % of verification of authenticity of certificates requests received and verified with-in turnaround time (5 working days)	Achieved 100% 10 944 of 10 944 requests verified within turnaround time of 5 working days	Achieved 100% 11 547 of 11 547 requests verified within turnaround time of 5 working days	95%	Achieved 100% 5108 out of 5108 requests verified within turnaround time of 5 working days	5%	Due to business continuity and effective monitoring of processes all requested certificates were processed within the turnaround time.

Programme 2: Occupational Qualifications Management and Certification

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achieve-ment 2020/21	Reasons for deviation
		2.2.3 % of learner records digitized against number on the project plan	N/A	New indicator Not achieved 0% records digitized	60% (Revised from 70%)	Achieved 111% 2 267 530 Learner records digitized against the planned 2 034 000	11%	Exceeded the target against the planned number of scanned records as per project plan An implementable plan agreed to with the service provider in place and monitored.

Programme 2: Occupational Qualifications Management and Certification

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

- The following strategy will be put in place to address areas of under-performance:

- Deregistration and reregistration of Historically Registered Qualifications;
  - Developing and reviewing occupational qualifications that respond to National Priorities;
  - Review the skills programme template and guidelines with an objective of simplifying it;
  - Automate the skills programme application process;
  - Streamline the skills programme evaluation process;
  - Place reviewed skills programme application forms on the QCTO website;
  - Advocacy workshops will be conducted on skills programmes. These workshops will assist in communicating to stakeholders the skills programmes requirements and provide an opportunity to listen to and address stakeholder needs;
  - Maintain achieving the certification targets, which this includes digitisation and verification of certificates; and
  - Monitor the certificates issued by SETAs/QAPs.

Programme 2: Occupational Qualifications Management and Certification

UPDATES ON STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The following updates on the strategy to address areas of under-performance:

- Deregistration and reregistration of Historically Registered Qualifications;
  - New occupational qualifications that respond to National Priorities have been recommended to SAQA for registration;
  - Skills programme template and guidelines with an objective of simplifying it has been reviewed and is implemented;
  - Skills Development Providers that seek to apply to develop skills programme use an application process which is on line and application form readily available on QCTO website;
  - Skills programme evaluation process has been simplified and has a shorter turn around time as compared to the qualification evaluation process;
  - A webinar that, inter alia, discussed skills programmes was held in September 2021. This is assisting in communicating to stakeholders the skills programmes requirements and provide an opportunity to listen to and address stakeholder needs;
  - Certification unit continues to liaise with stakeholders like NAMB to ensure no certificated are delayed or issued late.

Programme 3: Occupational Qualifications Quality Assurance

Programme Purpose

- To establish and maintain quality standards for Accreditation and Assessment within the OQSF.

Significant Achievements

- Council approved plan which will ensure that N4, N5 and N6 are quality assured using a similar process as that for Occupational Part Qualifications.
- This will ensure that the necessary practical's, simulations or work experience learning is incorporated to satisfy industry requirements.
- TVET College graduates will benefit from this intervention as industry will once again value the NATED programmes. The plan will ensure parity of esteem between the Occupational Qualifications and the NATED diplomas.
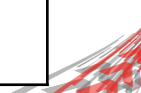
Programme 3: Occupational Qualifications Quality Assurance

Outcome 3	A single national quality assured Occupational Qualifications Sub framework that promotes synergy, simplification & effectiveness

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
3.1 A national External assessment is implemented for all qualifications registered on the OQSF	3.1.1 % of assessments for occupational qualifications and part qualifications quality assured against QCTO standards within 21 working days turnaround time	Achieved 100% 16 EISAs were quality assured against 16 that were conducted in 10 different Occupational qualifications	Achieved 100% 31 EISAs were quality assured against 31 that were conducted in 10 different Occupational Qualifications	Revised indicator 90% (Changed from 100%)	Achieved 100% 21 EISAs were quality assured against 21 for Occupational Qualifications	10%	The indicator was revised from 100% to 90% due to the possible impact of the COVID-19 Lockdown however all assessments were quality assured due to systems implemented during the Lockdown

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	3.1.2 % of assessments for historically registered qualifications quality assured against QCTO standards (excluding historical skills programmes and NATED) within 21 working days turnaround time	Achieved 100% 268 out of 268 assessments for historically registered qualifications were quality assured	Achieved 100% 202 out of 202 assessments for historically registered qualifications were quality assured	Revised indicator 50% (Revised from 75%)	Achieved 100% 32 out of 32 assessments for historically registered qualifications were quality assured	50%	The indicator was revised from 75% to 50% due to the possible impact of the COVID19 Lockdown, however all assessments were quality assured due to systems implemented during the Lockdown. There was also a significant reduction in the number of assessments.

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	3.1.3 QCTO to implement a quality assurance plan for NATED Report 190/191 programmes as approved by Council	N/A	N/A	New Indicator Approved Council Plan	Achieved 100% QA Plan approved by Council on 17 March 2021	N/A	N/A

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	3.1.4 % of assessments for QCTO developed skills programmes quality assured against QCTO standards within 21 working days	N/A	N/A	**New Indicator 60% (Revised from 90%)**	**Not achieved 0%** 0 out of 0 assessments for QCTO developed skills programmes quality assured	100%	No accredited SDPs; No enrolled learners; thus no final assessments for Skills Programmes were conducted

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	3.1.5 % of Assessment Quality Partners (or Assessment Bodies) quality assured against QCTO compliance standards	Achieved 100% 3 out of 3 AQP approvals were processed. Two new ones: SAPC and SA Hindu Maha Sabha, and one extension of scope: HWS SETA	Achieved 99% 155 out of 156 AQPs were quality assured	Revised indicator 90%	Achieved 100% 152 out of 152 AQP Reports were quality assured.	10%	All Assessment Quality Partners were quality assured due to systems implemented as a result of the SLAs with SETA's

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
3.2 A national Accreditation system is implemented for all qualifications registered on the OQSF	3.2.1 % of Skills Development Providers accreditation applications for Occupational qualifications and, part qualifications processed within the turnaround time (90 working days)	Not achieved 63% A total number of 250 SDPs were accredited during this time. 158 SDPs were accredited within the 90 working days turnaround time, and 92 outside the turnaround time	Not achieved 39% 275 out of 701 processed SDPs accreditation applications were processed within the turnaround time of 90 working days	90%	**Not achieved 69%** 321 accreditation applications from a total of 463 received, were processed within the turnaround time of 90 working days.	21%	The deviations are due to the unpredictability of the number of provider applications. Furthermore, the uptake of occupational qualifications is increasing which will require the QCTO to ensure adequate resourcing to undertake all functions.

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	3.2.2 % of Council approved Skills Development Providers accreditation applications for Skills Programmes processed within the turnaround time (90 working days)	N/A	N/A	New indicator 25% **Disclosure Inclusion of "New Indicator Establish a baseline" due to Human Error**	**Not achieved 0%** 0 out of a total of 7 applications for skills programmes were processed within the turnaround time of 90 working days.	100%	Deviation due to Skills programmes still new and QCTO processes affected by Covid-19 Lockdown

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	3.2.3 % of Skills Development Providers accreditation applications for historically registered Qualifications (Trades, Non-Trades, NATED Report 190/191, Skills Programmes) processed within the turnaround time (90 working days)	Achieved A baseline of 74 days was established based on the 52 accreditation applications processed	Achieved 100% 198 out of 198 SDP applications for Historically Registered Qualifications were processed within the turnaround time of 90 days.	Revised indicator 80%	Achieved 93% 692 recommendations for Historically Registered Qualifications and Nated Programme applications for 190/191 from a total of 741 were processed within the turnaround time of 90 working days.	13%	93% of Skills Development Provider applications were processed due to improved systems implemented

Programme 3: Occupational Qualifications Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	3.2.4 % of assessment centre accreditation applications processed (accreditation granted or declined) within the turnaround time (30 working days)	Achieved A baseline of 74 days was established based on the 52 accreditation applications processed Achieved 100% 173 of 173 Assessment Centre accreditations were processed within 30 working days	Achieved 100% 196 out of 196 Assessment Centre accreditation applications were processed within 30 working days	90% (Reduced from 100%)	Achieved 100% 78 out a total of 78 Accreditation Centre applications were processed within the turnaround time of 30 working days.	10%	The indicator was revised from 100% to 90% due to the possible impact of the COVID-19 Lockdown, however more assessments centre applications were processed due to the on line application system implemented during the Lockdown. There was also a significant reduction in the number of applications.

Programme 3: Occupational Qualifications Quality Assurance

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The following areas of under performance are of concern for the reporting period.

3.1.4 Skills Programme Assessment.

3.2.1 SDP Accreditation for Occupational Qualifications within Turn Around Time.

3.2.2 SDP Accreditation for Skills Programme within Turn Around Time.

The above areas of underperformance are resource intensive and require good coordination between stakeholders involved.

This areas also involves processing and exchange of large amount of accurate data between stakeholders.

Programme 3: Occupational Qualifications Quality Assurance

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The following strategy will be put in place to address areas of under-performance:

- In the 2019/20 cycle, the revoking of the functions delegated to QAPs was prioritised by subsuming this under the broader function mandate of the QCTO viz the quality assurance of qualifications and part qualifications registered on the Occupational Qualifications Sub-framework (OQSF). The implementation of this proceeding with SLAs with QAPs (SETAs).

- The QCTO has strengthened relationships and communication with the QAPs and related stakeholders to enable a meaningful and seamless transition to the new occupations.

- The QCTO has started to implement the necessary control processes to manage the upload of learner achievements to the NLRD.

- Interventions are being put in place for the QCTO to process, manage and coordinate large data between different stakeholders.

- Upskilling of employees and process improvements has been prioritised to improve overall efficiency.

Programme 4: Research Analysis and Quality Assurance

Programme Purpose

- To establish and maintain QCTO Standards for quality assurance through research, monitoring, evaluation and analysis.

Significant Achievements

- 3 Research Reports produced
- An Investigation of Qualification Development and Quality Assurance Processes Undertaken in the Three Sub- Frameworks of the National Qualification Framework.
- New Pedagogical Territories for Service Provision in South Africa: An Interpretation of the QCTO Provider Online Readiness Survey.
- Occupational Classification Systems and Qualification Development: A Global Perspective.
- QCTO first Research Bulletin produced.

Programme 4: Research Analysis and Quality Assurance

Outcome A single national quality assured Occupational Qualifications Sub framework that promotes synergy, simplification & effectiveness						
Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	**Reasons for deviation**
4.1 Research on issues of importance to the development and implementation of the OQSF conducted or commissioned and published	**4.1.1 Number of Research Reports approved by the CEO**	**N/A**	**N/A**	**New Indicator 3 (Revised from 4)**	**Achieved 3** **Submission signed by CEO approving 3 final reports.**	**N/A**	**N/A**

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Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	4.1.2 Research Bulletin published online	N/A	N/A	New Indicator 1	Achieved 1 Signed website publication form	N/A	N/A

Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
4.2 A national quality assurance system is implemented for all qualifications registered on the OQSF	4.2.1 % of accredited SDPs with implemented occupational qualifications and part qualifications quality assured according to QCTO standards	Not achieved A total number of 191 SDPs reported learner uptake through the year, of which 84 were monitored against QCTO compliance standards (44%)	Not achieved 38% 55 Occupational Qualifications with reported learner uptake were monitored out of 145 occupational qualifications	80%	Not achieved 65% . 131 Accredited SDPs with implemented occupational qualifications have been quality assured out of 202	15%	Monitoring of accredited Skills Development Providers affected due to COVID-19 Lockdown restrictions which prevented physical movement.

Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	4.2.2 % of accredited SDPs with implemented historically registered qualifications (excluding NATED Report 190/191 Programmes) quality assured against QCTO compliance standards.	Not achieved 23% 184 Accredited SDPs with implemented historically registered qualifications have been quality assured out 793	Not achieved 23% 184 Accredited SDPs with implemented historically registered qualifications have been quality assured out 793	50%	Achieved 54% 438 Accredited SDPs with implemented historically registered qualifications have been quality assured out of 815	4%	Improved online platforms introduced for quality assurance

Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	4.2.3 (a) % of accredited SDPs with implemented NATED Report 190/191 (e.g. N4-N6) programmes quality assured against QCTO compliance standards	N/A	N/A	New Indicator 25%	Not achieved 18% 146 accredited SDPs with implemented NATED Report 190/191 (e.g. N4N6) programmes have been quality assured out of 828	7%	Unreliable database of SDPs with implemented NATED Report 190/191 e.g.) N4-N6) programmes

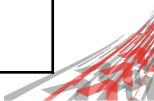# Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	4.2.3 (b) Number of NATED Report 190/191 (e.g. N4 – N6) Exams sessions conducted at accredited SDPs, quality assured against QCTO standards	N/A	N/A	New indicator 50 (Revised from 100)	Achieved 89 Nated Report 190/191 (e.g. N4-N6 Examination sessions conducted at accredited SDPs have been quality assured	39	The indicator was revised from 100% to 50% due to the possible impact of the COVID19 Lockdown, however more exam sessions were quality assured due to the Online platforms introduced for quality assurance

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Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	4.2.3 (c) Number of NATED Report 190/191 marking sessions quality assured against QCTO standards	N/A	N/A	**New indicator 20 (Revised from 30)**	Achieved 23	3	The indicator was revised from 30 to 20 due to the possible impact of the COVID19 Lockdown, however more marking sessions were quality assured due to ongoing communication with DHET.

Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	4.2.4 % of accredited SDPs with skills programmes implemented, quality assured against QCTO standards.	N/A	N/A	New Indicator 25%	Not Achieved 0%	100%	No SDPs accredited for Skills Programmes

Programme 4: Research Analysis and Quality Assurance

Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviation
	4.2.5 % of accredited Assessment Centres conducting EISAs (External Integrated Summative Assessments) quality assured against QCTO standards	Achieved 100% 16 out of 16 Assessment Centres completed online submissions for EISAs	Achieved 100% 31 out of 31 Assessment Centres completed online submissions for EISAs	60%	Achieved 100% 17 out of 17 Assessment Centres completed online submissions for EISAs	40%	Improved communication with SDPs and Assessment Centres

Programme 4: Research Analysis and Quality Assurance

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

- The QCTO has started to implement the necessary control processes to manage the SETAs and quality partners, as they are major stakeholders.

- Monthly meetings focusing on operations, are being instituted.

- Indicators will be managed using project management best practices.

- The NATED quality assurance plan has been approved and will be implemented.

- Specific focus will be on managing stakeholder relationships.

Programme 4: Research Analysis and Quality Assurance

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The following areas of under performance are of concern for the reporting period.

4.2.1 Quality Assurance of Occupational Qualifications.

4.2.3(a) Quality Assurance of NATED N4-N6.

4.2.4 Quality Assurance of Skills Programmes.

The above areas of underperformance are resource intensive and require good coordination between stakeholders involved.

Programme 4: Research Analysis and Quality Assurance

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The QCTO has started to implement the necessary control processes to manage the SETAs and quality partners, as they are major stakeholders.

- Monthly meetings focusing on operations, are being instituted.

- Indicators will be managed using project management best practices.

- The NATED quality assurance plan has been approved and will be implemented.

- Specific focus will be on managing stakeholder relationships especially DHET, SETAs and TVETs.

Part C
Governance

Achievements

- The QCTO duly and timeously responded to all requests, questions, complaints and enquiries received from the Portfolio Committee during the reporting period.

- The Minister approved an addendum to the 2020/21 Annual Performance Plan on 9 August 2020 to amend targets due to the National COVID-19 Pandemic. He further granted approval for the Annual Performance Plan 2021/22 on 25 March 2021 as well as the budget of R95.373 million, which includes a government grant of R27.630 million.

AGSA Audit Action Plan 2020/21

No	Finding	Recommendation	Progress
1	Calculation errors on the commitments schedule	A) Review the initial input received from the units for correctness. B) Sign off by the DD of the input prior to inclusion in the AFS.	In progress - Commitment schedules that SCM provide as part of AFS preparations will be prepared by DD: SCM, reviewed by DD: Finance and Approved by CFO
2	Incomplete leases disclosure in the notes to the annual financial statements	Current internal controls around AFS disclosures will be enhanced.	In progress - GRAP AFS checklist will be signed by both the CFO
3	Items of property, plant and equipment with negative carrying amounts (book values)	A) Review the asset reports on a monthly basis to identify any negative balances and engage the service provider to correct the matter on a case by case B) AFS will be adjusted to incorporate the changes for those assets with negative carrying amounts. Also the providers of the system used will be consulted to give a report as to why an asset continues to depreciate into the negative. Furthermore, these assets have been set aside for disposal as the organisation is in the process of procuring replacement assets. These Assets have been revalued in prior years to increase their useful lives and they will be scrapped.	Completed - FAR are prepared and reviewed monthly

AGSA Audit Action Plan 2020/21 Continued...

No	Finding	Recommendation	Progress
4	Items of property, plant and equipment with R nil balances	Review the Asset Report on a monthly basis for the R0 assets that requires reassessment.	In progress - Waiting for the finalisation of furniture procurement to finalise the write offs of assets with Nil balances
5	Prepayment not accounted for on the accrual basis	A) Prepayment Transactions are tracked on a transaction basis every month. B) The investigation will be performed to determine if there are any other similar transactions.	Completed - Prepayment schedules are now completed when there are transactions that causes prepayments
6	Incorrect classification of debtors with credit balances	'A) Year-end procedures will be enhanced to incorporate debtors with negative balances. B) Yearend AFS Checklist will include the checking of the negative balances of debtors and creditors.	In progress - Annual AFS checklist will include checking of debtors with negative balances and will be done at year end when preparing AFS
7	Incomplete disclosure of the new GRAP standards and amendments in the accounting policies	A) Before the AFS are produced, QCTO will confirm with ASB for a list of Standards that are approved and not effective and not merely depend on the GRAP template that is issued yearly by CaseWare.	In progress - This will be done at year end when preparing AFS

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AGSA Audit Action Plan 2020/21 Continued…

No	Finding	Recommendation	Progress
8	Inconsistencies between the SAQA Qualification codes on verification reports and the qualification codes as per indicator schedule	A) Implement a checklist for matters to be reviewed before signature on the documentation. B) Implement automated processes.	Completed - Checklist implemented.

Part D
Human Resources

Achievements

- Employment Equity Plan in Place
- Submission of Employment Equity Report 2020/21
- Submission of the Workplace Skills Plan 2020/21
- Electronic systems to manage HRM activities (ESS and HR Premier) in place
- HRM Committees in Place
  - Pension Fund Committee
  - Employment Equity Committee
  - Training and Development Committee

Organisational Structure

Interim Chairperson of Council, Ms. S. Antoni

Chief Executive Officer, Mr. V. Naidoo

Chief Director: Corporate Services, Ms. N. Madilonga-Khondowe

Chief Director: Occupational Quality Assurance, Mr. E. Mbuwe

Chief Director: Occupational Qualifications Management, Mr. T. Lata

Chief Financial Officer: Mr. I. Gumbochuma

Director: Information Technology, Mr. T. Ramhewa

Director: Accreditation, Mr. T. Matjabe

Director: Quality Assurance, Mr. R. MacPherson

Director: Certification, Ms. A. Van Janse Van Rensburg

Director: Assessment Quality Assurance, Ms. D. Kemp

Director: Governance, Risk, Compliance and Secretariat, Ms. A. Solomon

Director: Office of the Chief Executive Officer, Mr. J. April

Director: Cluster Engineering, Mr. S. Davids

Director: Research and Analysis, Mr. M. MacFarlance

Director: Cluster Non-Engineering, Mr. T. Gqili

Director: Occupational Qualifications Development, Mr. S. Mkhonza

HUMAN RESOURCES MANAGEMENT (Stats)

PERSONNEL COST BY PROGRAMME

Programme	Total Expendenditure for Entity R'000	Personnel Expenditure R'000	Personnel Expenditure % for Total Expenditure	Number of Employees	Average personnel cost per employee R'000
QTCO	113 462	67 709	60%	99	684

EMPLOYMENT AND VACANCIES

Programme	2019/20 Approved Posts	2019/20 Number of Employees	2019/20 Vacancies	2019/20 % of Vacancies	2020/21 Approved Posts	2020/21 Number of Employees	2020/21 Vacancies	2020/21 % of Vacancies
QTCO	246	100	146	59%	246	99	147	60%

HUMAN RESOURCES MANAGEMENT (STRUCTURE SUMMARY)

			CONSOLIDATED STRUCTURE SUMMARY									
UNITS	No of Posts	Phase 1	Phase 2	Phase 3	Total	Approved	Not Approved	Total	Difference	Advertised	Posts Approved but on Hold	Filled Posts
CEO Office	3	3	0	0	3	3	0	3	0	0	0	3
Governance	7	7	0	0	7	7	0	7	0	0	0	7
Finance & SCM	15	10	2	3	15	11	4	15	0	1	0	10
OQM	65	21	2	42	65	65	0	65	0	0	38	27
OQA	89	10	7	72	89	89	0	89	0	1	71	17
Research and QA	43	8	29	6	43	43	0	43	0	1	29	13
Corporate Services	2	2	0	0	2	2	0	2	0	0	0	2
ADMIN	8	5	2	1	8	5	3	8	0	0	0	5
HRM	11	7	2	2	11	7	4	11	0	0	3	4
MKT	7	5	2	0	7	5	2	7	0	0	1	4
ICT	12	7	3	2	12	7	5	12	0	1	2	4
LEGAL	2	0	0	0	2	2	0	2	0	0	2	0
TOTAL	264	85	49	128	264	246	18	264	0	4	146	96

Summary

	All Posts	Approved Posts	Not Approved Posts
Core Business	197	197	0
Support	67	49	18
Total	264	246	18

Summary

Total appoved post	246
Less Filled posts	96
less advertised post	4
Total (Approved but on hold)	146

NOTE – *Posts approved but put on hold - Cannot be filled due to the QCTO's constraint budget*

HUMAN RESOURCES MANAGEMENT
ANNUAL STATISTICS - *Equity Target and Employment Equity Status*

LEVELS	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	1	0	0	0
Senior Management	7	0	3	0	0	2	1	2
Professional Qualified	26	1	0	8	1	4	1	5
Skilled	3	5	0	5	0	5	0	3
Semi-Skilled	3	6	0	3	0	4	0	2
Unskilled	0	7	0	3	0	4	0	2
TOTAL	39	19	3	19	2	19	2	14

Male = 46
Female = 53

LEVELS	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	1	5	0	3	0	3	3	2
Professional Qualified	25	1	0	6	0	5	1	3
Skilled	10	0	0	2	0	1	0	2
Semi-Skilled	10	6	0	3	0	1	0	2
Unskilled	3	4	0	2	0	1	0	2
TOTAL	49	16	0	16	0	11	4	11

Annual Financial Statements
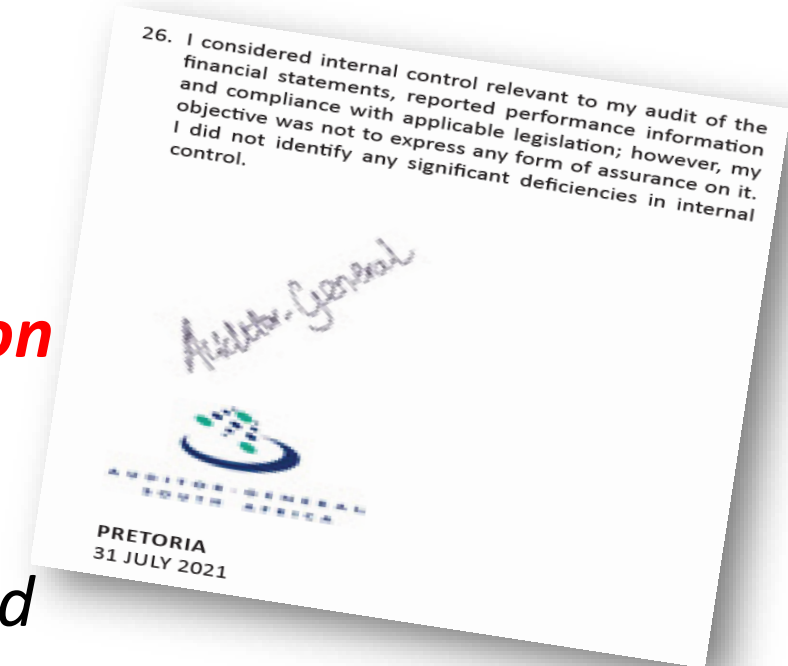   *No Material Findings*
Predetermined Objectives
    No Findings
Compliance with Legislation
    No Findings
Internal Controls
    No deficiencies identified
Fifth Consecutive Clean Outcome

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

PRETORIA
31 JULY 2021

Part E

Financial Information

Revenue Collection

Sources of revenue	2019/20			2020/21		
	Budget	Actual expenditure	(Over) / Under expenditure	Budget	Actual expenditure	(Over) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	26 056	26 056	-	25 507	25 507	-
Finance Income	-	5 425	(5 425)	-	2 159	(2 159)
Other Income	-	6 654	(6 654)	-	7 139	(7 139)
SETA Grant	90 348	90 348	-	97 200	97 278	-
TOTAL	**116 404**	**128 483**	**(12 079)**	**122 707**	**132 083**	**(9 298)**

Notes:

- Certification, verification and accreditation services that were introduced in prior years that were not budgeted for in the current financial year. These services were not budgeted for, as there is no guarantee of this income.

- Interest was earned from excess funds saved in the ABSA account as the SETA Grant is received at the beginning of the year as well as some interest earned from funds invested with the Corporation for Public Deposits at the Reserve Bank.

Statement of Financial Performance

	2020/21 R'000	2019/20 R'000
REVENUE		**128,483**
Grant allocation: DHET	25,507	26, 056
Grant Allocation: SETA	97 ,200	90,345
Finance Income	2, 159	5,425
NSF Funding	3, 175	1, 451
Other Income	7, 139	5,203
TOTAL EXPENDITURE	115, 702	118, 981
Compensation	69, 966	64, 561
Other Expenses	39, 848	50,156
NET SURPLUS FOR THE YEAR	16, 391	9,502

Statement of Financial Position

	2020/21 R'000	2019/20 R'000
ASSETS	**114,291**	**100,691**
Current Assets	94,412	90,914
Non Current Assets	19,879	9, 767
LIABILITIES	**15, 834**	**18,604**
Current Liabilities	15,834	18,604
Non Current Liabilities	-	-
NET ASSETS	**98,457**	**82,077**
LIQUIDITY RATIO	**7:1**	**5:1**

Reasons for under expenditure

- Reduction in administration expenditure (mainly travel and accommodation) due to lockdown restrictions.

- Compensation of employees was reduced as some vacant posts could not be filled, some posts were put on hold due to budget cuts for the 2021/22 financial year.

- There was about **R9 million** additional unbudgeted revenue from interest and rendering of services.

Future outlook

- The Seta Levy Grant has been from **R67,7 million** for 2021/22 financial year to **R96.1 million** for the 2022/23 financial year. This will help the organization to put more resources to its core performance areas.

- QCTO is still in the process of finalizing the purchase of its premises which will reduce costs significantly.

- The QCTO has included in its budget for the 2022/23 financial year onwards previously unbudgeted for revenue sources (accreditation, verification, certification and interest income) as trends can be determined to estimate accurately.

- Retention of cash surplus approval has been submitted to National Treasury before the 30 September deadline and awaiting response.

- The organization's funding is still not stable and relies heavily on SETA grant(70% of total funding) which is applied for annually.

Thank You

Mr. Vijayen Naidoo: Chief Executive Officer (CEO: QCTO)

012 003 1800

info@qcto.org.za

https://www.qcto.org.za/

QCTO Page