



ANNUAL REPORT 2020/21

PRESENTATION TO THE PORTFOLIO COMMITTEE ON BASIC EDUCATION
23 November 2021

PRESENTATION OUTLINE

- **BACKGROUND**
- **AUDIT REPORT**
- **PART A: PERFORMANCE INFORMATION**
- **PART B: HUMAN RESOURCES**
- **PART C: FINANCIAL MATTERS**

Mandate

Umalusi's mandate is determined by:



Chapter 2: Everyone has a right to education



Establishment of Umalusi as a Quality Council



Assigns Umalusi the responsibility for quality assurance of general and further education and training

The Role of Umalusi

- Umalusi is the Quality Council responsible for qualifications registered on the general and further education and training qualifications sub-framework (GFETQSF) of the National Qualifications Framework (NQF).
- The Quality Council ensures that the providers of education and training have the capacity to deliver and assess qualifications and learning programmes and that they do so to expected standards of quality.

Reflection on 2020/21

- Implementation of the first Annual Performance Plan (APP) of the current five-year strategic plan was disrupted by the COVID-19 pandemic.
- We therefore revised the APP and the Minister re-tabled it in Parliament in July 2020.
- As a result, not all 2020/21 targets were achieved.
- This presentation is based on the re-tabled targets.
- Despite the COVID-19 challenges, we have managed to remain focused on our five-year strategic priorities reflected on the next slide.

Strategic Priorities

Reviewing the quality assurance of assessment approach so as to accommodate new qualifications.

Evaluating and appraising new qualifications – e.g. General Education Certificate (GEC).

Amending the founding Acts to accommodate new qualifications and desired extensions in the mandate of quality assurance.

Intensify research on educational developments to innovate and advise the Ministers of Education.

Intensify advocacy on qualifications within the sub-framework.

Seeking an alternative funding model to increase revenue.

Audit Report

- Report of the External Auditor
 - RAIN Chartered Accountants Incorporated
- Page 97-99 of the Annual Report
- We have achieved our **second Unqualified Audit Opinion with no material findings (Clean Audit)**
- This was possible because of the maintenance and improvement of our systems and controls.

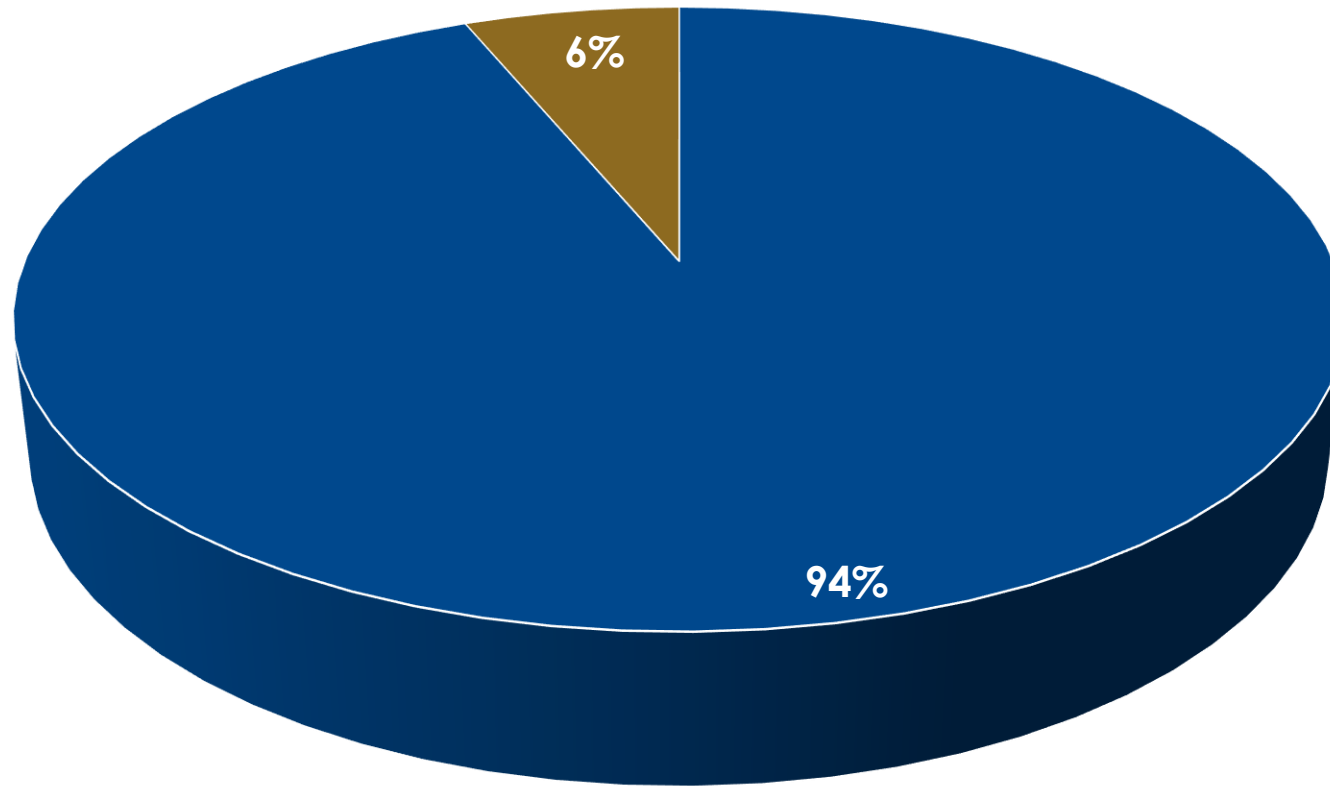
Part A: Performance Information

- Vision, Mission and Values
- Summary of performance
- **Programme 1** – Administration
- **Programme 2** – Qualifications and Research
- **Programme 3** – Quality Assurance and Monitoring
- Concluding statements

Strategic Intent

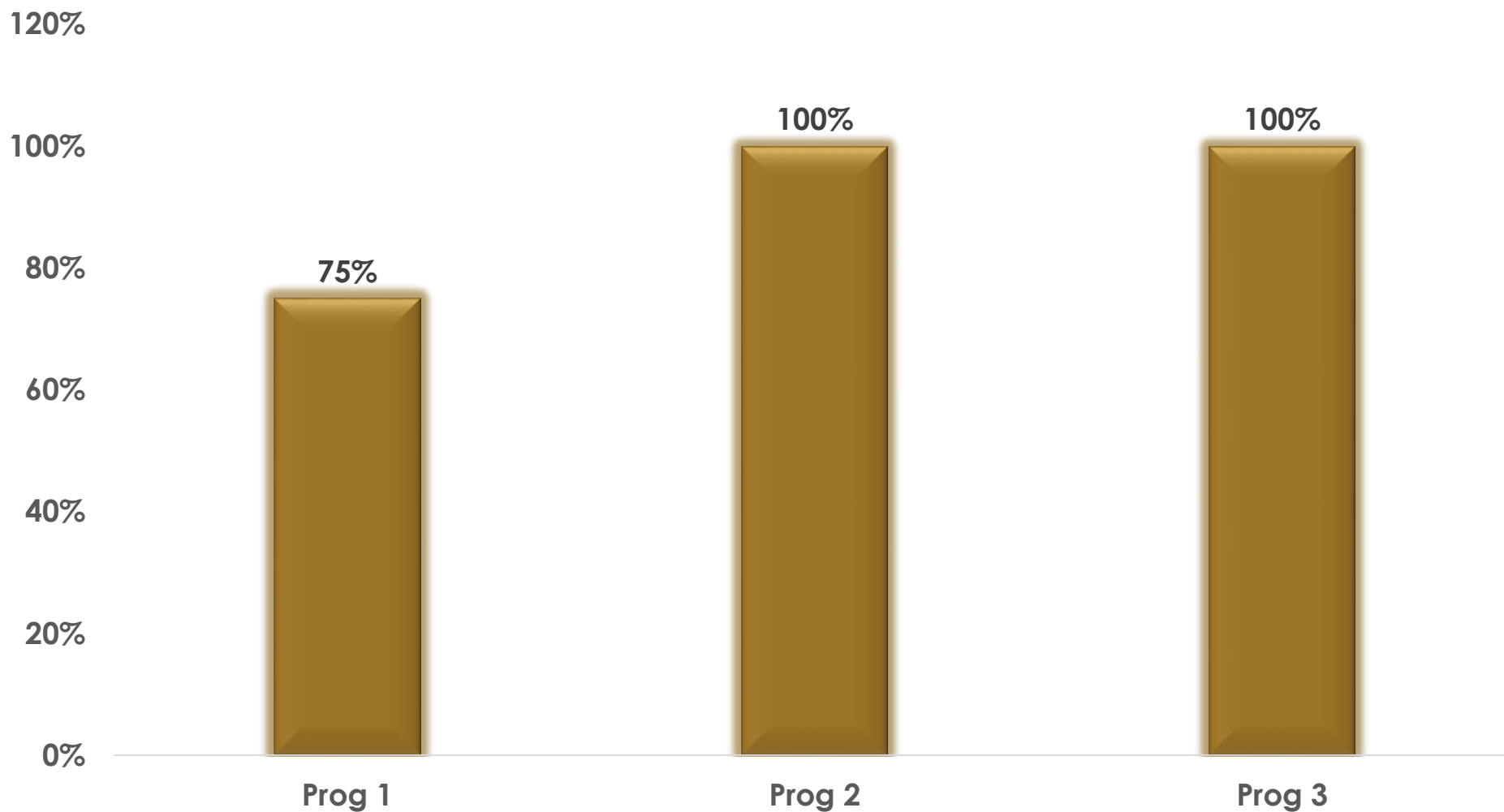


Overall Annual Performance



■ Achieved ■ Not achieved

Status of achievement per programme



Programme 1: Administration

- Programme 1 covers the following sub-programmes:
 - Strategy and Governance (S&G)
 - Public Relations and Communications (PR & Comms)
 - Information Communication Technology (ICT)
 - Human Capital Management (HCM)
 - Finance and Supply Chain Management (F&SCM)

Programme 1 Performance

Performance Indicator	Annual Target	Annual Output
1.1.1: Number of advocacy exhibitions conducted	0	N/A This indicator was given zero targets for the rest of the year because no exhibitions could be held
1.1.2: Number of advocacy webinars conducted	4	4
1.2.1: ICT Network health score maintained at $\geq 95\%$	$\geq 95\%$	98%
1.3.1: Vacancy rate maintained at $\leq 10\%$	$\leq 10\%$	5%
1.4.1: Percentage of valid invoices of creditors and suppliers paid within 30 days	99%	92%

Programme 2: Qualifications and Research

Programme 2 covers the following sub-programmes:

A. **Qualifications, Curriculum and Certification**

- Ensuring and enhancing the status and quality of qualifications on the sub-framework, which Umalusi develops, manages and reviews;
- Evaluating curricula to ensure that these are of acceptable quality;
- The certification of candidate performance for all qualifications on the GFETQSF; and
- Verifying all qualifications Umalusi and its predecessor, SAFCERT, have issued since 1992.

Programme 2: Qualifications and Research...

B. Statistical Information and Research

Umalusi conducts research and analysis and reports on quality within the GFETQSF. The mandate is to:

- Conduct research that is informed by the emerging needs of the education system so to engage stakeholders towards innovative thinking;
- Report on the key indicators of quality and standards in general and further education and training;
- Establish and maintain databases; and
- Lead research and analysis and provide statistical support and information across Umalusi.

Programme 2 Performance

Performance Indicator	Annual Target	Annual Output
2.1.1 Number of reports produced on the management of qualifications in the sub-framework	1	1
2.2.1 Percentage of error-free learner records for which a certificate is printed	100%	100%
2.3.1 Percentage of verification requests received that are completed in terms of the service Level agreement: two working days	90%	92.1%
2.4.1 Number of research reports completed in various formats	4	4

Programme 3: Quality Assurance and Monitoring

Programme 3 comprises of the following sub-programmes

A. Quality Assurance of Assessment

This function entails the following:

- External moderation of question papers;
- External moderation of internal assessment;
- Verification of monitoring of the assessment system;
- Monitoring of the conduct, administration and management of assessment and examinations processes;
- Management of concessions, assessment and examination irregularities;
- External moderation of marking processes.

Programme 3: Quality Assurance and Monitoring...

B. Evaluation and Accreditation

Quality assurance of provision and assessment through evaluation and accreditation of private education institutions and private assessment bodies. This entails ensuring that:

- Standards for provision determined, maintained and strengthened;
- Systems are in place to quality assure the capacity of the private education and training institutions seeking accreditation to implement qualifications registered on the GFETQSF through an accreditation and monitoring process;
- Systems are in place to quality assure the capacity of private assessment bodies seeking accreditation to assess qualifications registered on the GFETQSF.

Programme 3 Performance

Performance Indicator	Annual Target	Annual Output
3.1.1 Number of quality assurance of assessment reports published for qualifications registered on the GFETQSF	8	8
3.2.1 Percentage of question papers approved per qualification	100%	100%
3.3.1 Number of assessment bodies audited for their state of readiness to conduct examinations	12	13
3.4.1 Number of subjects for which verification of marking is conducted	70	85

Programme 3 Performance Cont..

Performance Indicator	Annual Target	Annual Output
3.5.1 Number of subjects for which moderation of internal assessment is conducted	85	180
3.6.1: Percentage of accreditation outcomes for private education institutions finalized within 12 months of the site visit	82%	94.8%
3.7.1: Percentage of identified private education institutions monitored after being granted accreditation	70%	87.4%

Reasons for under-performance

Indicator	Reasons for under-performance	Future Strategies
1.4.1	The negative effect of COVID-19 on payments in the first quarter affected the overall performance	Payments to service providers will be approved and processed electronically if hard lockdown is introduced due to the pandemic.

Part B : Human Capital Management (HCM)

- Employment and vacancies
- Employment changes
- Employment equity
 - All figures as at 31 March 2021

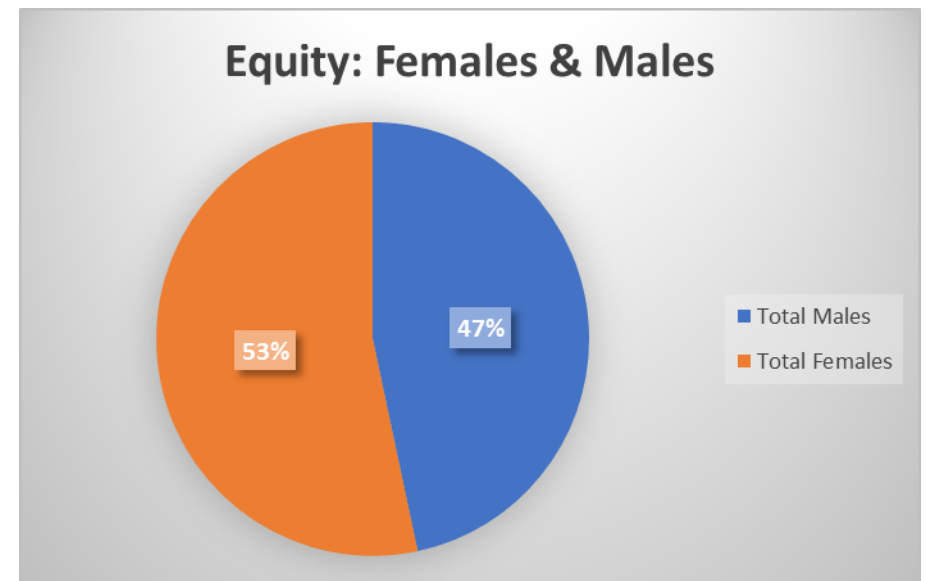
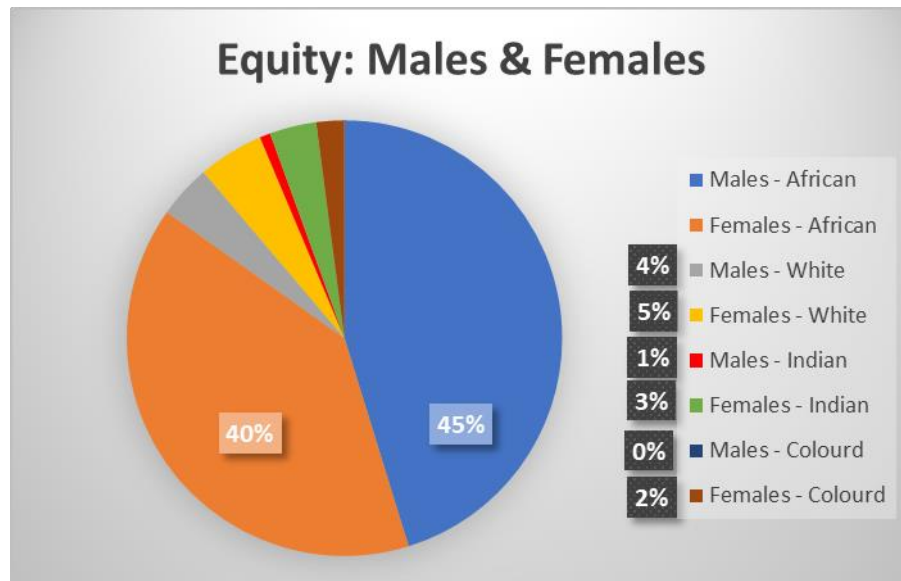
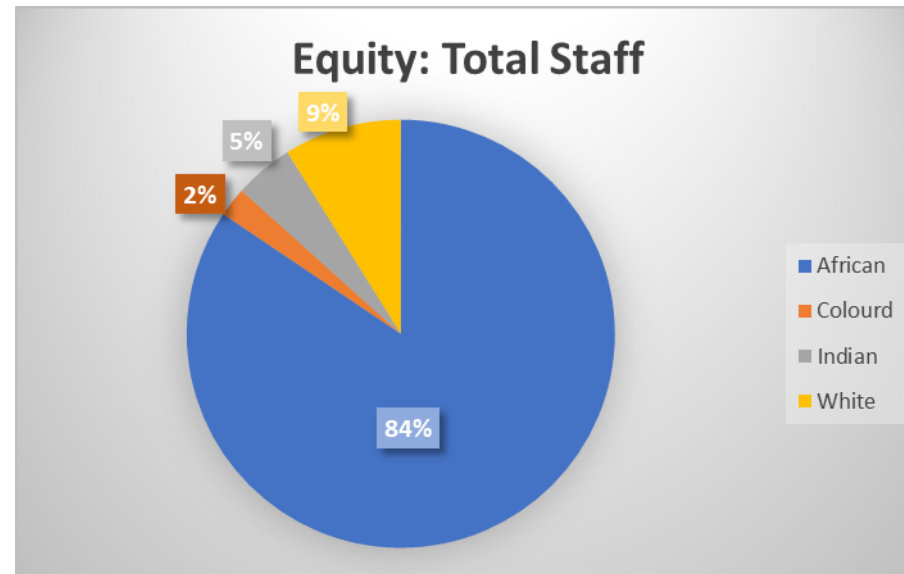
HCM - Employment and Vacancies

Salary Band	2019/2020 No. of Employees	2019/2020 Approved Posts	2020/2021 Approved Posts	2020/2021 No. of employees	2020/2021 Vacancies	% of vacancies
Top Management	4	4	4	4	-	0%
Senior Management	10	10	10	9	1	10%
Professional qualified	64	66	67	65	2	3%
Skilled	16	16	16	16	-	0%
Semi-skilled	38	41	40	35	5	13%
Unskilled	4	4	6	6	-	0%
Total	136	141	143	135	8	6%

HCM - Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	1	-	4
Senior Management	9	1	1	9
Professional qualified	65	3	3	65
Skilled	16	-	-	16
Semi-skilled	36	-	1	35
Unskilled	4	2	0	6
Total	133	7	5	135

HCM - Employment Equity



Part C : Financial Information

- Audit Report
- Statement of financial position
- Statement of financial performance
- Material items:
 - Cash surplus

External Audit Report - RAIN

Extracts from the Auditors & Management Reports:

- External private auditors were appointed with consent of the Auditor General of South Africa (AGSA) – RAIN Chartered Accountants Incorporate
- The Audit was conducted in accordance with the international Standards on Auditing (ISAs)
- **CLEAN - Unqualified Audit Report with no material findings**
- The financial statements compiled in GRAP present fairly, in all material respects, the financial position of Umalusi as at 31 March 2021, and its financial performance and cash flows
- Umalusi submitted financial statements free from material misstatements
- Umalusi does not have any unadjusted audit differences for the 31 March 2021 final audit
- No instances of material non-compliance with requirements of applicable legislation
- Overall the financial viability is assessed as good
- Officials of the entity have the required skills and competencies

Statement of Financial Position (1)

As at 31 March 2021	2021	2020
Figures in Rand	R	R
Assets		
Current Assets		
Receivables from exchange transactions	5 070 915	5 326 330
Pre-payments	1 550 064	1 822 445
Cash and cash equivalents	44 781 996	43 232 315
	51 402 975	50 381 090
Non-Current Assets		
Property, plant and equipment	56 718 838	60 298 872
Intangible assets	5 896	13 119
	56 724 734	60 311 991
Total Assets	108 127 709	110 693 081

Statement of financial position (2)

As at 31 March 2021	2021	2020
Figures in Rand	R	R
Liabilities		
Current Liabilities		
Payables from exchange transactions	18 167 448	14 943 233
Non-Current Liabilities		
Operating lease liability	163 233	40 577
Employee benefit obligation	8 929 000	7 820 000
	9 092 233	7 860 577
Total Liabilities	27 259 681	22 803 810
Net Assets	80 868 028	87 889 271

Statement of financial position (3)

As at 31 March 2021	2021	2020
Figures in Rand	R	R
Reserves		
Revaluation reserve	34 804 310	34 804 310
Accumulated surplus	46 063 718	53 084 961
Total Net Assets	80 868 028	87 889 271

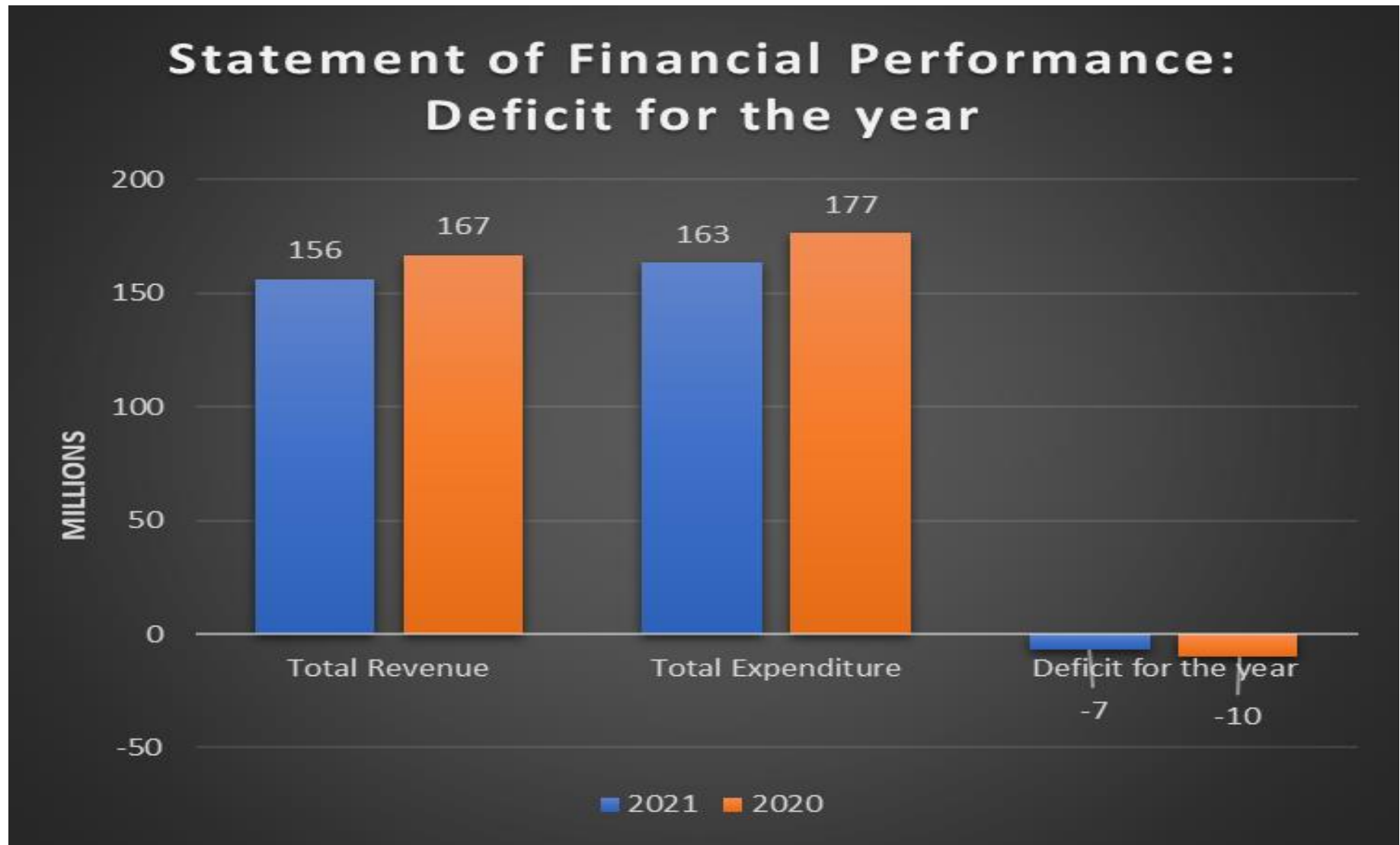
Statement of financial performance (1)

Figures in Rand	2021	2020
	R	R
Revenue		
Revenue from exchange transactions		
Accreditation fees	3 407 919	7 754 892
Certification fees	2 633 061	2 075 881
Verification fees	7 896 846	12 388 030
Rental income	601 923	903 541
Sundry income	3 188 594	4 635 967
Interest received - investment	2 172 487	4 532 233
Gain on disposal of assets	2 735	20 377
Total revenue from exchange transactions	19 903 565	32 310 921
Revenue from non-exchange transactions		
Government grant & subsidies	136 404 000	134 634 000
Total Revenue	156 307 565	166 944 921

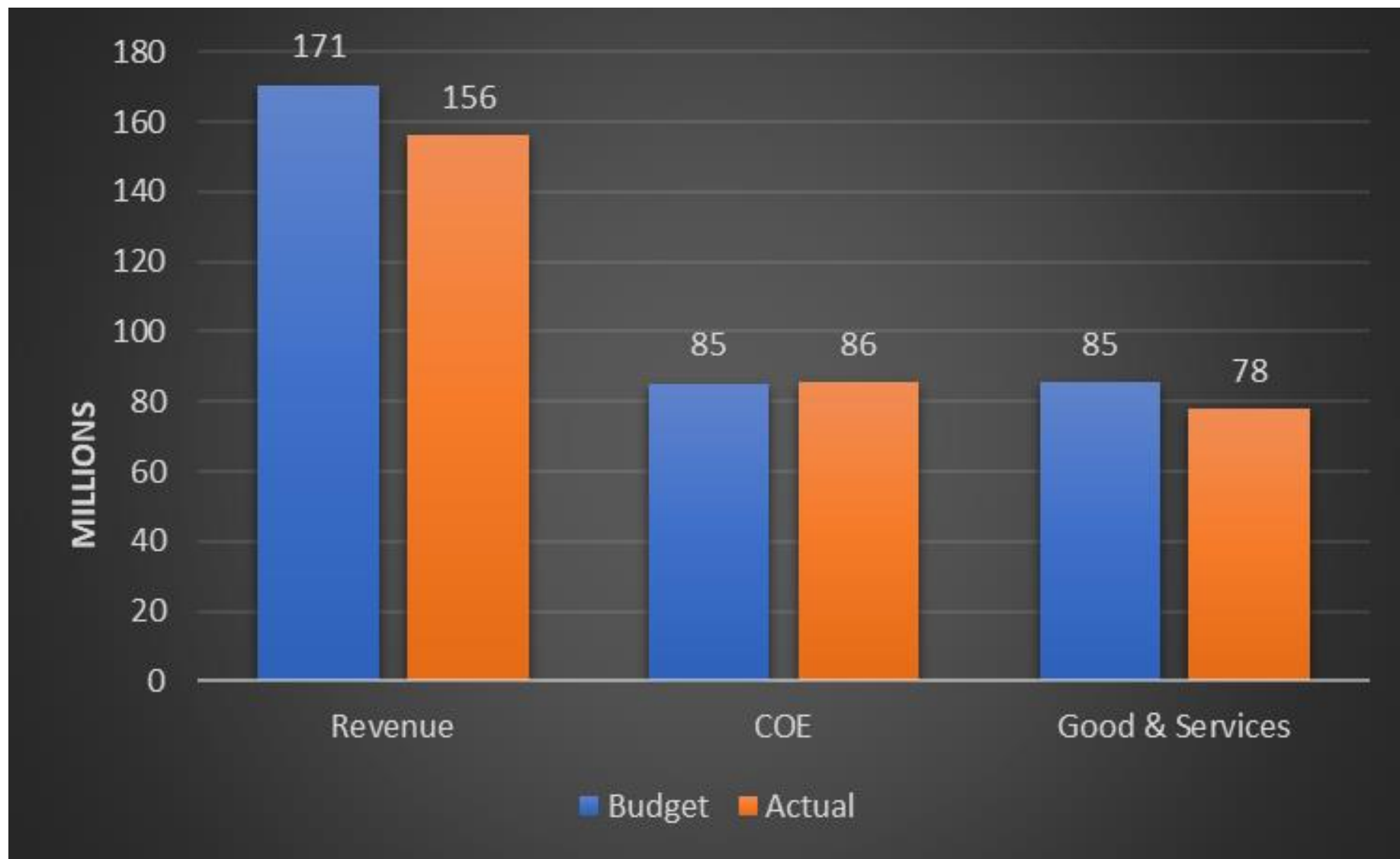
Statement of financial performance (2)

Figures in Rand	2021	2020
	R	R
Expenditure		
Actuarial losses	1 12 000	2 467 000
Depreciation and amortisation	6 051 742	3 578 279
Employee cost	85 571 123	81 449 835
Other operating expenses	17 266 377	16 821 200
Moderator and verifier costs	32 026 281	39 125 152
Travel and accomodation	6 229 991	17 282 233
Certificate expenses	9 177 439	9 714 642
Printing and stationery	1 001 306	1 635 634
Bad debt written off	1 115 909	0
Communication expenses	680 366	1 450 866
Consulting and professional fees	3 793 287	3 071 402
Covid-19 (PPE expenditure)	302 987	0
Total Expenditure	163 328 808	176 596 243

Statement of financial performance (3)



2020/21 - Actual vs Budget



Cash Surplus




- Committed funds – Council approved a tender amounting to R40 million for the renovations of 41 Van Reyneveld Street – Thuto-Mfundo Building, adjacent to the current building.
- The DBE assisted with the request to retain the cash surplus to be utilised as set out above and this has been granted by National Treasury.

Conclusion

We would like to convey our sincere appreciation to our Council for their support.

I would like to thank the Chairperson of the Portfolio Committee on Basic Education, Ms Mbinqo-Gigaba, and the Honourable members for this opportunity to present Umalusi's 2020/21 Annual Report.

Thank You!!

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