



# ANNUAL INTEGRATED REPORT

20|21  
22



RESETTING THE COMPASS





# ABOUT SAQA

The South African Qualifications Authority (SAQA) is a statutory body established under the SAQA Act, Act No. 58 of 1995 and continuing under the National Qualifications Framework (NQF) Act, Act No. 67 of 2008 (as amended by the Higher Education Laws Amendment Acts 26 of 2010 and the NQF Amendment Act, No 12 of 2019).

The SAQA is a Schedule 3A National Public Entity defined by the Public Finance Management Act (PFMA).

## SAQA's 2021/22 Annual Integrated Report

SAQA aims to provide a balanced and reasonable view of its work from 1 April 2021 to 31 March 2022 so that its stakeholders can make an informed assessment of its performance.

The Annual Integrated Report complies with:

- Section 13 (2) of the National Qualifications Framework Act, No. 67 of 2008;
- Section 55 of the Public Finance Management Act, No. 1 of 1999; and
- Aligns to the principles



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Office of the CEO



# **PART A**

General  
Information



SAQA Executive Management Team



# SAQA'S GENERAL INFORMATION

Registered Name: South African Qualifications Authority

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Website: [www.saqa.org.za](http://www.saqa.org.za)

External Auditors: Auditor General, South Africa

Bankers: Standard Bank, Pretoria



## LIST OF ABBREVIATIONS / ACRONYMS

<b>AG</b>	Auditor-General
<b>APP</b>	Annual Performance Plan
<b>ASB</b>	Accounting Standards Board
<b>CFO</b>	Chief Financial Officer
<b>CHE</b>	Council on Higher Education
<b>COVID-19</b>	Coronavirus Disease 2019
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration
<b>CPD</b>	Cash for Public Deposits
<b>DHET</b>	Department of Higher Education and Training
<b>DPSA</b>	Department of Public Service and Administration
<b>DUT</b>	Durban University of Technology
<b>EE</b>	Employment Equity
<b>ENE</b>	Estimation of National Expenditure
<b>eScCoE</b>	Electronic SAQA Certificate of Evaluation
<b>ETDP SETA</b>	Education, Training and Development Practices SETA
<b>GENFQSF</b>	General and Further Education and Training Sub-Framework
<b>GPS</b>	Governance, People and Strategy
<b>GRAP</b>	Generally Recognised Accounting Practices
<b>HERE</b>	Higher Education Reform Experts
<b>HEQSF</b>	Higher Education Qualifications Sub-Framework
<b>ICT</b>	Information and Communications Technology
<b>I&amp;IT</b>	Information and Information Technology
<b>IGRAP</b>	Interpretation of the Standards of Generally Recognised Accounting Practice
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MTEF</b>	Medium Term Expenditure Framework

<b>MTN</b>	Mobile Telecommunication Network
<b>NLRD</b>	National Learners' Records Database
<b>NQF MIS</b>	National Qualifications Framework Management Information System
<b>NQF Act</b>	National Qualifications Framework Act (Act No. 67 of 2008, as amended)
<b>OQSF</b>	Occupational Qualifications Sub-Framework
<b>PAIA</b>	Promotion of Access to Information Act (2000)
<b>PB</b>	Professional Body
<b>PD</b>	Professional Designation
<b>PFMA</b>	Public Finance Management Act (Act No. 1 of 2009)
<b>PPE</b>	Property, Plant and Equipment
<b>POPIA</b>	Protection of Personal Information Act
<b>PSET</b>	Post-School Education and Training
<b>QC</b>	Quality Council
<b>QCTO</b>	Quality Council for Trades and Occupations
<b>RPL</b>	Recognition of Prior Learning
<b>SAQA</b>	South African Qualifications Authority
<b>Act SAQA</b>	South African Authority Act (Act No. 58 of 1995) South African
<b>SCM SAQA Act</b>	Supply Chain Management South Qualifications Authority Act (Act No. 58/1995)
<b>SCM</b>	Supply Chain Management
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UMALUSI</b>	Council for Quality Assurance in General and Further Education and Training
<b>VAT</b>	Value added tax
<b>WES</b>	World Education Service



## FOREWORD BY THE BOARD CHAIRPERSON

Professor Peliwe Lolwana

2021 Marked 25 years since SAQA's inception. The occasion prompted a deep reflection of the organisation's role in the education and training sector, as the SAQA Board critically engaged with SAQA's current Strategic Plan.

I initiated a series of consultative workshops to reflect on SAQA's role, with NQF partners, key NQF stakeholders, as well as critics of the NQF. The workshops confirmed my belief that SAQA has been too inward-looking and needs to focus outwardly on how best to meet the needs of the South African public. SAQA should have further engagements with the Quality Councils to identify and eliminate the hindrances to their work and to improve coordination within the system. The Board will continue to apply its mind as we introduce short-term initiatives now that will lead us to the development of SAQA's next five-year strategy for 2025/30.

As we continue living in the world impacted by COVID-19, SAQA has adapted to changes brought about the pandemic. One of these changes was a realisation that staff would have been much more effective working remotely if SAQA's processes had been automated and its services offered online. Furthermore, the pandemic has shown us that SAQA must reflect on the role that it wishes to play to stay relevant. The ripple effects caused by the Covid-19 pandemic are still impacting on the finances of the organisation. To help reduce the financial risk and burden on SAQA, the Board has considered ways to recover some of its costs for services rendered. As a result, SAQA will start charging a fee for the registration of qualifications on the NQF. There is already a fee being charged to professional bodies with SAQA recognition status.

Despite the difficulties faced with the conclusion of the section 189A retrenchment process, the implementation of SAQA's new structure was successfully executed. The restructuring was not without its challenges as SAQA is dealing with service delivery backlogs in its Authentication Services unit. We anticipate these challenges to continue in the short term as Management works on completing the automation of its processes and bringing service delivery online. The Board is satisfied that SAQA's organisational re-design is sufficient in the interim and will re-visit the structure once the Automation Project has concluded.

When the 7<sup>th</sup> Board took office on 1 January 2021, SAQA had an acting CEO. The Board appointed Dr Julie Reddy as CEO in May 2021. Dr Reddy has been an integral part of SAQA for the last ten years since she was first appointed as Deputy Chief Executive Officer. She led SAQA through the unprecedented financial crisis which resulted in SAQA's restructure and consequential staff retrenchments and facilitated the automation process that will lead to greater institutional efficiency. Sadly, Dr Reddy's tenure will end in November 2022 when she retires. I take this opportunity to thank her for her contributions to SAQA and wish her well on the next phase of her journey.

A handwritten signature in black ink that reads "Peliwe Lolwana". The signature is written in a cursive style and is positioned above a horizontal line.

Professor Peliwe Lolwana  
Board Chairperson



# CHIEF EXECUTIVE OFFICER OVERVIEW

Dr Julie Reddy

The 2021/22 financial year marked SAQA's 25th Anniversary. What we had planned to be a celebratory year of 25 years of consistent excellence in performance in advancing our NQF, turned out to be a year of trials and tribulations.

Like much of the world, SAQA continued to operate under Covid-19 lockdown restrictions, which required most staff to quickly adapt to working remotely. During this performance year, fourteen (14) SAQA staff members tested positive for Covid-19, and sadly, Ms Loabetsoe Galela, a young woman in the prime of her life, succumbed to the illness in December 2021.

SAQA continued to put in place strict protocols to protect all staff members, when they worked from the office, and its visitors. A mandatory vaccine policy was approved and implemented. I believe that this measure which required any unvaccinated staff members to produce a weekly negative Covid-19 test encouraged the majority of SAQA staff to get vaccinated. I am pleased to report a 96% vaccination rate at SAQA.

SAQA began the year having to fight for its survival during an unprecedented global pandemic. The only way to avert our unexpectedly dire financial situation and the possibility of closure was to further reduce expenditure through the costs associated with personnel. The SAQA Board approved a new organogram that was tailored to fit the available budget. The redesign catered for eighty-two permanent positions. Unfortunately and despite our

best efforts, we were unable to avert the retrenchment of eighty-nine staff members. This adversely impacted SAQA's service delivery, particularly in the Authentication Services Unit which is responsible for the verification of national as well as the evaluation of foreign qualifications. During the period we tried to craft new strategies to address our delivery challenges, by temporarily contracting former staff as independent contractors. We also focused on designing a project and multi-year process to automate our internal processes and delivery systems, where possible, to bring about greater efficiencies in service delivery. I am pleased to report that despite the challenges faced we have made significant strides and plan to have our Authentication Services fully automated by the end of the 2022/23 financial year. We are grateful to DHET for adding R9,8 million to our budget to implement the Automation Project.

Although learners still experience challenges in navigating the NQF, SAQA remains committed to ensuring that all qualifications registered on the 10-Level NQF have articulation options. SAQA is co-leading a national initiative in collaboration with the Durban University of Technology (DUT) called Unfurling PSET (UPSET) that aims to strengthen flexible learning-and-work pathways in the South African PSET System. One of the key components of the initiative is the development of nine regional articulation hubs, the first four of which will be launched in the next financial year.

“The refugee crisis is at an all-time high, affecting all countries around the world to different degrees. SAQA embarked on implementing a pilot project in collaboration with the USA-based World Education Service (WES), to implement a provision of the Addis Convention that calls for its signatory countries in the African continent to find alternative processes to recognise the qualifications of refugees and asylum seekers with incomplete or partial qualifications documentation.”

SAQA has partnered with the Technology Higher Education Network South Africa (THENSA) in an exciting and innovative Higher Education Reform Experts South Africa (HERESA) Project, a collaborative multi-country, multi-partner initiative. SAQA’s role includes leading and participating in the project’s collaborative networks, information-sharing, and above all, integrating the knowledge gained, into NQF policy, as well as ensuring the integration of NQF policy into the initiative. In addition, SAQA implemented nine initiatives to promote the NQF including having delivered presentations at the African Qualifications Verification Network (AQVN) international webinar series on verification practice in SA during the COVID pandemic; and The Association for International Credential Evaluation Professionals (TAICEP) webinar on Internal Quality Assurance comparing the European model vs SAQA model; and hosting a webinar on ‘The NQF and the Fourth Industrial Revolution (4IR)’ for NQF partners and stakeholders.

The refugee crisis is at an all-time high, affecting all countries around the world to different degrees. SAQA embarked on implementing a pilot project in collaboration with the USA-based World Education Service (WES), to implement a provision of the Addis Convention that calls for its signatory countries in the African continent to find alternative processes to recognise the qualifications of refugees and asylum seekers with incomplete or partial qualifications documentation. The pilot was implemented first in the Western Cape and plans are in place to roll it out to other selected provinces. This year-long project has generated much interest in the work of SAQA both nationally and internationally, and we look forward to sharing our implementation

process and lessons learned from the pilot more broadly and to scaling the work throughout the Continent.

Even with the many challenges we faced, I am most pleased to report that SAQA has still managed to achieve 80% of its annual delivery targets and continued its unbroken record of consistent unqualified audit opinions.

My tenure at SAQA ends in November 2022, and it was a profound privilege for me to serve SAQA and the country for 10 years. As I prepare to hand over the reins to another CEO and start the next chapter in my life, I take this opportunity to thank the SAQA Board for their leadership and guidance, the staff for their dedication and commitment during a few difficult years, the Ministers of Higher Education, Science and Innovation and Basic Education and the Portfolio Committee on Higher Education, Science and Innovation for their support of SAQA and its work in advancing our NQF. I am confident that the worst is behind us, and wish my successor everything of the best in taking the renewal and re-positioning work I had started to the next level.



Dr Julie Reddy  
Chief Executive Officer

# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL INTEGRATED REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Integrated Report are consistent with the Annual Financial Statements audited by the Auditor General.

The Annual Integrated Report is complete, accurate and free from any omissions.

The Annual Integrated Report has been prepared in accordance with the guidelines on the Annual Integrated Report as issued by the National Treasury.

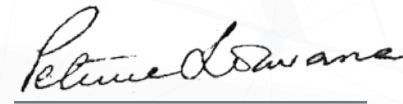
The Annual Financial Statements (Part E) have been prepared following the effective Standards of Generally Recognised Accounting Practices (GRAP). This included any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB) applicable to the public entity.

The Accounting Authority is responsible for preparing the Annual Financial Statements and the judgements made on 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 performance information, the human resources information and the Annual Financial Statements. The external auditors are engaged to express an independent opinion on the Annual Financial Statements. In our opinion, this Annual Integrated Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2022.



**Dr Julie Reddy**  
Chief Executive Officer



**Professor Peliwe Lolwana**  
Board Chairperson

# STRATEGIC OVERVIEW



## OUR VISION

A world-class National Qualifications Framework that works for the people in South Africa.



## OUR MISSION

To oversee the further development and implementation of the NQF and to advance its objectives, which contribute to the full development of the lifelong learner and to the social and economic development of the nation at large.



## OUR VALUES

SAQA regards the NQF as a framework for communication, coordination and collaboration across education, training, development, and work. SAQA staff commits to serving the life-long learner by:

- Building a dynamic, responsive, internationally respected and living NQF;
- Developing a visionary, influential and reflective leadership who cares;
- Registering quality qualifications and professional designations that articulate;
- Building a competent, skilled, and caring staff component; and
- Increasing the visibility, understanding and appreciation of the NQF through advocacy and communication.



# LEGISLATIVE AND OTHER MANDATES

## LEGISLATIVE MANDATES

The Constitution of the Republic of South Africa

The Bill of Rights, in section 29 of the Constitution of the Republic of South Africa, 1996, guarantees that everyone has the right to:

- Basic education, including adult basic education;
- Further education, which the State must make available;
- Receive education in the official language or language of their choice, where it is equitable, practicable, and redresses past racially discriminatory practices; and
- Establish and maintain, at their own expense, independent educational institutions that do not discriminate based on race, are registered with the State, and maintain standards equal or superior to comparable public educational institutions.

The National Qualifications Framework Act

In terms of the National Qualifications Framework (NQF) Act, No. 67 of 2008 as amended, which became effective on 1 June 2009, SAQA is the oversight body of the NQF and the custodian of its values.

## Objectives of the NQF

As set out in section 5(1) of the Act, the objectives of the NQF are 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.

These objectives are designed to contribute to the full personal development of each learner and the social and economic development of the nation at large.

## Functions of SAQA

The role of SAQA, as stipulated in the NQF Act, 2008 as amended, is to advance the objectives of the NQF, oversee the further development and implementation of the NQF, and coordinate the Sub-Frameworks. SAQA's functions are set out in sections 5(3) and 13 of the NQF Act, 2008 as amended, which, in summary, mandates SAQA to:

- Advise the relevant Ministers and decision-makers on NQF matters, oversee the implementation of the NQF, liaise and consult with the Quality Councils (QCs) on issues relating to the implementation of the NQF;
- Develop policies and criteria for the registration of qualifications, assessment, recognition of prior learning and credit accumulation and transfer, recognising a professional body and registering a professional designation, and develop level descriptors;
- Maintain a National Learners' Records Database (NLRD) to ensure that South African qualifications are of acceptable quality, to provide an evaluation and advisory service with respect to foreign qualifications; and
- Conduct or commission research into NQF-related matters, to collaborate with international counterparts, and to initiate and drive a clear, coordinated communication and advocacy strategy to assist providers, learners, and the public at large in knowing, understanding, and valuing the NQF architecture and how it benefits them.

The NQF Amendment Act, Act No. 12 of 2019, signed by the President on 13 August 2019 and published for information, will further add to SAQA's mandate once proclaimed.

## The Public Finance Management Act, Treasury Regulations and the Framework for Strategic Plans and Annual Performance Plans

In terms of the Public Finance Management Act, Act No. 1 of 1999, SAQA is a Schedule 3A national public entity. SAQA complies with the PFMA, applicable Treasury Regulations, and the provisions of the Guidelines for Implementation of the Revised Framework for Strategic Plans and Annual Performance Plans, 2020.

SAQA voluntarily aligned to the King IV Report on Corporate Governance principles.



## POLICY MANDATES

The following policy documents have relevance to the work of SAQA:

- The National Development Plan 2030;
- The DHET's Medium Term Strategic Framework (2020/25);
- The White Paper for Post-School Education and Training (November 2013); and
- Priorities and Guidelines for the NQF and other directives from the Minister of Higher Education, Science, and Innovation (HESI)

National Development Plan Five-Year Implementation Plan 2030

The government has identified seven priorities derived from the Electoral Mandate and the 2019 State of the Nation Address:

- Priority 1: Economic Transformation and Job Creation
- Priority 2: Education, Skills and Health
- Priority 3: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 4: Spatial Integration, Human Settlements and Local Government
- Priority 5: Social Cohesion and Safe Communities
- Priority 6: A Capable, Ethical and Developmental State
- Priority 7: A better Africa and World

Priority 2, namely, Education, Skills and Health, is relevant to the Department of Higher Education and Training (DHET), and therefore, SAQA. This priority contributes to pillar 2 of the 3 NDP pillars, which is the Capabilities of South Africans.

Medium Term Strategic Framework (MTSF)

The following medium-term outcomes have been identified under the Education Skills and Health Priority concerning the DHET's work:

- An integrated and coordinated Post-School Education and Training (PSET) system;
- Expanded access to PSET opportunities;
- Improved success and efficiency of the PSET system;
- Improved quality of PSET provisioning; and
- A responsive PSET system.

The DHET has recommended that SAQA and the QCs consider the following three outcomes in their Strategic Plans:

- Improved quality;
- Expanded access (RPL and Articulation); and
- Improved efficiency.

SAQA has incorporated the DHET's outcomes as follows:

SAQA's Outcome Statements	DHET's Outcome Statements
A dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning.	Expanded Access
Visionary and influential leadership that drives a clear, evidence-based NQF agenda.	Improved Quality; Improved Efficiency; Expanded Access
Well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people.	Improved Quality; Expanded Access
A competent and capable team dedicated and resourced to develop and maintain the NQF.	Improved Efficiency
Stakeholders and role-players who are aligned to deliver on the NQF.	Improved Efficiency

Considering these outcomes, SAQA continues to focus its efforts to:

- Register quality qualifications;
- Coordinate Articulation and RPL initiatives;
- Lobby to strengthen and align relevant legislation; and
- Continue to Simplify the NQF.

Economic Reconstruction and Recovery Plan

The Economic Reconstruction and Recovery Skills Strategy (ERRP SS) aims to support the Economic Reconstruction and Recovery Plan (ERRP) to ensure that skills shortages do not compromise it. It is borne out of the urgency for a well-coordinated skill development strategy to support the management of Covid-19 and economic and social recovery.

The ERRP SS is located within the broader skills planning arsenal of the Post-School Education and Training System, which promotes the use of labour market intelligence (including future work scenarios) to inform PSET provisioning. The strategy aims to expand young people's participation in skills development programmes and workplace-based learning opportunities. The ERRP commits to ensuring learners access workplace-based learning opportunities and places the responsibility on all infrastructure projects to contribute toward creating new skilled artisans.

SAQA has a role to play in enabling the ERRP SS. Considerations such as innovations in work-integrated learning and credit-bearing short courses are high on SAQA's list of priorities.

## White Paper on Post-School Education and Training

The White Paper for PSET sets out a vision for an integrated education and training system outside of school and the role that SAQA plays. Specifically, the White Paper stipulates that “SAQA must provide guidance on the articulation between the three sub-frameworks and must endeavour to ensure that institutions avoid unfair and irrational barriers to acceptance and credit transfer” (White Paper on Post-School Education and Training 2013:10).

### Ministerial Guidelines

The Minister: (HESI) is required by section 2(c) of the NQF Act (2008, as amended) to publish guidelines which set out the government’s strategy and priorities for the NQF after consultation with the Minister of Labour. These Ministerial Guidelines may be updated annually.

### Policy initiatives

SAQA collaborates with its NQF partners to implement the NQF-related policies and criteria as set out below:

- Level Descriptors for the South African National Qualifications Framework (June 2012);
- National Policy and Criteria for Designing and Implementing Assessment for NQF Qualifications and Part-Qualifications and Professional Designations in South Africa (October 2013);
- Policy and Criteria for Credit Accumulation and Transfer within the National

- Qualifications Framework (as amended, March 2021);
- Policy and Criteria for Evaluating Foreign Qualifications within the South African NQF (as amended, March 2019);
- National Policy for the Implementation of the Recognition of Prior Learning (as amended, March 2019);
- Policy and Criteria for the Registration of Qualifications and Part-Qualifications on the NQF (as amended, March 2022);
- Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the Purposes of the NQF Act, Act No. 67 of 2008 (as amended, September 2020);
- Addendum on the Recognition of Qualifications of Refugees and Asylum Seekers (March 2019);
- NQF Implementation Framework 2021-2025
- The Articulation Policy for the Post-School Education and Training System of South Africa (January 2017); and
- Recognition of Prior Learning (RPL) Coordination Policy (March 2016).



Figure 1: SAQA Executive and Senior Management



NQF Operations Management Team

Evaluation of Foreign Qualifications

Research



Verifications (National)

Client Services

Information and Communications Technology



# **PART B**

## Performance Information



Registration and Recognition



Authentication Services

The Auditor-General: South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the Management Report. Material findings are reported under the Predetermined Objectives heading in the Report on Other Legal and Regulatory Requirements section of the auditor's report.

Refer to page 107 of the Auditors Report, published as Part E: Financial Information.

## SITUATIONAL ANALYSIS

accessible to all stakeholders. SAQA works closely with the three QCs to implement the NQF. The three QCs are guided by their respective Qualifications Sub-Framework policies and procedures that are aligned to national policies and implemented within the System of Collaboration.

The Covid-19 pandemic and the subsequent lockdown severely hampered SAQA's ability to generate funding through its paid services. National and provincial departments had also slowed down recruitment during this period and therefore did not use SAQA's verification services. SAQA embarked on a two-year initiative to automate key processes in evaluating and verifying qualifications to improve service delivery.

The South African economy faces growing challenges and pressures that impact the public sector. This, coupled with an increased budget deficit, means that SAQA must double its efforts to secure sustainable alternative funding sources. SAQA received 66% of its funding from the fiscus for 2021/22 and remains committed to operating more efficiently. Following the retrenchment of eighty-nine staff members in May 2021, the entity submitted a proposal to DHET for additional funding to automate and digitise some of its key processes. An additional amount of R9,8 million was provided by DHET for the automation project in March 2022.

SAQA averted retrenchments in November 2020 due to R5m received from DHET at the 11<sup>th</sup> hour. This, however, resulted in a delay in the implementation of Section 189A retrenchments until the end of the financial year. The current Board, appointed on 1 January 2021, had the task of approving the new and lean structure tailored to meet the

SAQA is mandated by the NQF Act, 2008, as amended to oversee the further development and implementation of the NQF. This key national legislative tool is instrumental in shaping South Africa's education and training system. It also ensures that South African qualifications are of high quality, internationally comparable and positioned in a transparent system

available budget. Delays during the stakeholder negotiations with organised labour and the staff representatives were experienced, and the 60-day consultation process ended in May 2021. All staff, except for eight whose job descriptions were left unchanged, had to compete for new positions in the new structure. Unfortunately, SAQA had to retrench 100 staff members who could not find a place in the new structure.

Management and the seventh SAQA Board are aware that while automation is outstanding, the new lean structure cannot always carry out SAQA's operational deliverables. To mitigate this, SAQA has appointed independent contractors to meet the public's demand for SAQA's services. External monitoring and evaluation have been concluded, and internal monitoring continues to make recommendations. The Board believes that the current structure is sufficient in the interim, but will re-visit the structure once automation is in place. Continuous change in management sessions occurs, and ultimately, there are shifts towards a positive organisational culture.

NATIONAL QUALIFICATION FRAMEWORK				
NFQ SUB-FRAMEWORK / QUALITY COUNCIL	LEVEL	SUB-FRAMEWORK AND QUALIFICATION TYPE	NFQ SUB-FRAMEWORK / QUALITY COUNCIL	
HIGHER EDUCATION QUALIFICATION SUB-FRAMEWORK (HEQSF) COUNCIL ON HIGHER EDUCATION	10	DOCTORAL DEGREE DOCTORAL DEGREE (PROFESSIONAL)	OCCUPATIONAL QUALIFICATION SUB-FRAMEWORK (OQSF) QUALITY COUNCIL FOR TRADES AND OCCUPATIONS (QCTO)	
	9	MASTER'S DEGREE MASTER'S DEGREE (PROFESSIONAL)		
	8	BACHELOR HONOURS DEGREE POSTGRADUATE DIPLOMA BACHELOR'S DEGREE		SPECIALISED OCCUPATIONAL DIPLOMA
	7	BACHELOR'S DEGREE ADVANCED DIPLOMA		ADVANCED OCCUPATIONAL DIPLOMA
	6	DIPLOMA ADVANCED CERTIFICATE		OCCUPATIONAL DIPLOMA ADVANCED OCCUPATIONAL CERTIFICATE
	5	HIGHER CERTIFICATE		HIGHER OCCUPATIONAL CERTIFICATE
GENERAL AND FURTHER EDUCATION AND TRAINING QUALIFICATION SUB-FRAMEWORK (QFETQSF) UMALUSI	4	NATIONAL CERTIFICATE		NATIONAL OCCUPATIONAL CERTIFICATE
	3	INTERMEDIARY CERTIFICATE		INTERMEDIATE OCCUPATIONAL CERTIFICATE
	2	ELEMENTARY CERTIFICATE		ELEMENTARY OCCUPATIONAL CERTIFICATE
	1	GENERAL CERTIFICATE		GENERAL OCCUPATIONAL CERTIFICATE

Figure 2: National Qualifications Framework



In South Africa, the terms ‘*articulation*’ and ‘*learning pathways*’ are used interchangeably. Articulation is understood broadly as enabling student mobility within and between the various learning programmes and institutions in Post-School Education and Training (PSET). Articulation needs to take place simultaneously at *three or more different levels*.

- (i) As ‘*systemic articulation*’ or a ‘joined-up’ system that includes qualifications and other elements that support learning-and-work pathways;
- (ii) More specifically, in terms of the mobility enabled by intra- or inter-institutional agreements, Credit Accumulation and Transfer (CAT), the Recognition of Prior Learning (RPL), and other mechanisms;
- (iii) Articulation could refer to the pathways followed by individuals as they progress and are supported in their learning and work. Aspects such as the quality of qualifications and learning and career development advice/ initiatives are part of articulation.

### Strengthening learning pathways initiative

Following the SAQA-DUT research in 2020, SAQA spear-headed the learning pathways initiative to enhance articulation. Work has been done in community development, child and youth care, Early Childhood Development (ECD) and engineering. SAQA brought together all the relevant stakeholders, to develop ‘learning pathway maps’ for each sector. These maps are currently being implemented, and gaps are addressed. Learners will benefit from this project as it will open up clear pathways for further study and movement into and within the labour market.

## Summary of achievements for the year

Table 1: Number of qualifications that were registered / de-registered




	CHE 	QCTO 	UMALUSI 	TOTAL
# qualifications registered on NQF:	176	76	1	253
# qualifications amended:	34	2	-	36
# qualifications returned:	117	70	-	187
Extension of the last date of enrolment and last date of achievement:	127	2	-	-
# re-registered qualifications:	1	287	-	129
*Extension of the last date of enrolment and last date of achievement (learning programmes):	-	7	7	7
# qualifications transferred from OQSF:	-	-	118	118
# qualifications de-registered from NQF:	11	-	-	11
Historical qualifications registered & de-registered	-	2	-	-
	<b>TOTAL: 466</b>	<b>TOTAL: 446</b>	<b>TOTAL: 119</b>	<b>1031</b>

Table 2: Learner achievement records loaded on NQF MIS incorporating the NLRD



	 <b># RECORDS LOADED IN THE YEAR</b>	 <b>TOTAL # RECORDS ON THE NLRD</b>
<b>LEARNERS</b>		
# Learners	581 388	21 365 389
# Learners who achieved anything through RPL	19 038	123 965
<b>ACHIEVEMENTS</b>		
# Qualification achievements	673 518	18 981 210
# Part-qualification achievements	1 689 177	115 575 193
# Qualification achievements through RPL	3 733	40 024
# Other achievements through RPL	163 828	1 965 249
# People awarded professional designations	52 824	1 244 090

Table 3: National and foreign qualifications submitted for verification and evaluation



## YEAR TO DATE

## NATIONAL QUALIFICATIONS

# Achievement records verified

161 536

# Verification letters issued

8 374

## FOREIGN QUALIFICATIONS

# Qualification achievements verified

7 499



# Qualification achievements recognised

9046

# eSCoE issued

7 607

Table 4: Misrepresented qualifications recorded on the List of Misrepresented Qualifications

	 # RECORDS LOADED IN THE YEAR	 TOTAL # RECORDS ON THE NLRD
<b>NATIONAL QUALIFICATIONS</b>		
SAQA	64	968
QCTO	440	2 202
UMALUSI	-	-
<b>Total - National</b>	<b>504</b>	<b>3 170</b>
<b>FOREIGN QUALIFICATIONS</b>		
# Qualifications	17	1 719
# SCoE	28	1 754
<b>Total - Foreign</b>	<b>45</b>	<b>3 473</b>
<b>TOTAL</b>	<b>549</b>	<b>6 643</b>

## Progress Against Five-Year Targets

Outcome Statement	Five-year Outcome Indicators	Five-Year Targets	Year 2 (2021/22) Achievements	Comments
We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning	1. NQF Policies that support the changing needs of life-long learning	Review five NQF Policies and amend them as required	Reviewed the Policy and Criteria for Registering Qualifications and Part-Qualifications on the NQF	On track to achieve the five-year target
	2. Amended NQF Policies are implemented	Monitor the implementation of the reviewed NQF Policies	Not a deliverable in Years 1 and 2	
We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda	3. SAQA influences and shapes national and international discourses	Align the SA NQF to the proposed African Continental Qualifications Framework	Not a deliverable in Year 2	We await the finalisation of the ACQF
		Implement the Addis Convention	Not a Year 2 deliverable	SAQA will implement its Action Plan in 2022/23
	4. SAQA's work through the CEO Committee shows the results of a well-researched and clearly formulated NQF agenda	Conclude all transitional arrangements listed in section 36 of the NQF Act, 2008	Not a Year 2 deliverable	SAQA awaits the Minister's decision to end the transitional arrangements
		Strengthen the System of Collaboration and NQF structures	Report on the effectiveness of the System of Collaboration	SAQA assessed the effectiveness of the System of Collaboration and sent a report to the Minister.
	5. SAQA's activities promote a world-class NQF that is well understood and benefits all stakeholders	SAQA reaches 5 000 000 people through its advocacy and communication initiatives	SAQA reached 2 242 471 people through its social media advocacy and communication initiatives and an additional 600 people through its webinars	On track to achieve the five-year target
		The NLRD reflects 24 million learners with achievements	The NQF MIS incorporating the NLRD contains 21 365 389 learners with achievements	On track to achieve the five-year target

Outcome Statement	Five-year Outcome Indicators	Five-Year Targets	Year 2 (2021/22) Achievements	Comments
<p>We have well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people</p>	<p>6. There are well-defined systemic, specific, or individual Articulation pathways within and across Sub-Frameworks</p>	<p>All qualifications registered on the NQF after 1 January 2014 have at least one Articulation pathway within or across Sub-Frameworks</p>	<p>SAQA identified qualifications already registered on the NQF after 1 January 2014 that do not have an articulation option and requested missing information from QCs</p> <p>HEQSF qualifications with no Articulation pathways: 74</p> <p>SAQA received information and updated 62 of the 74 qualifications</p> <p>OQSF qualifications with no Articulation pathways: 75</p> <p>SAQA received information and updated 3 of the 75 qualifications</p>	<p>All information provided by the QCs have been updated on the system</p> <p>The tracking grid is updated on qualifications with outstanding pathways.</p> <p>No further updates were received</p> <p>The CHE requested SAQA to extend the registration date of 7000 qualifications to allow for the revision of all CHE qualifications, including the six outstanding ones.</p> <p>The QCTO indicated that it is reviewing all qualifications aligned to the revised OQSF Policy and the Ministerial Determination of 24 December 2020.</p>
	<p>7. There is a clear understanding of the types of professional bodies, their designations and their value-add in the changing NQF landscape</p>	<p>Clearly define the roles of statutory and non-statutory professional bodies and use the research findings to amend the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation</p>	<p>The SAQA Board approved the SAQA Professional Body Model derived from the findings of the research report</p> <p>This model will provide a foundation on which to build an enabling environment</p>	<p>On track to achieve the five-year target</p>
<p>We have a competent and capable team, dedicated and resourced to further develop and maintain the NQF</p>	<p>8. SAQA's structure is aligned to deliver on its strategy</p>	<p>Re-design SAQA's structure to better suit the delivery of its strategy</p>	<p>SAQA implemented the new structure, and the SAQA Board approved the final structure.</p>	<p>The structure will be reviewed after the completion of the Automation Project</p>
	<p>9. SAQA develops and trains its staff</p>	<p>Every staff member has at least two learning interventions per year</p>	<p>Implemented learning and development for all staff. All staff members had at least two learning interventions in the year.</p>	<p>On track to achieve the five-year target</p>

Outcome Statement	Five-year Outcome Indicators	Five-Year Targets	Year 2 (2021/22) Achievements	Comments
We have stakeholders and role-players who are aligned to deliver on the NQF	10. The NQF value chainworks efficiently	Develop a functional system that allows for the efficient registration of qualifications within three weeks	SAQA is working with the CHE on a workflow tracking system for qualifications and part qualifications.	<p>This is a multi-year project that requires funding. The current target (without automation) is a four-month turnaround.</p> <p>SAQA processed 628 qualifications during Year 1.</p> <p>Registered 253 qualifications on the NQF:</p> <p>Registered in 1 month: 9.0% (23)</p> <p>Registered in 2 months: 41% (104)</p> <p>Registered in 3 months: 36% (92)</p> <p>Registered in 4 months: 12% (31)</p> <p>Non-achieved 1% (3)</p>
		SAQA identifies all historical (legacy) datasets that are not on the NLRD, secures and loads it on the NLRD	Not a Year 2 deliverable	SAQA requires additional funding to digitise all paper-based legacy records that it locates. SAQA will develop a proposal for funding in 2022/23.
We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda		90% of national learner achievements submitted for verification appear on the NLRD	Not a Year 2 deliverable	In Year 1, 65,6% of national records verified were found on the NLRD. The rest required confirmation of authenticity from the provider.
We have stakeholders and role-players who are aligned to deliver on the NQF		All recognised professional bodies load information about their members with professional designations on the NLRD annually	96 of the 100 recognised professional bodies loaded professional designation achievements that meet the requirements on the NLRD	SAQA has 100 recognised professional bodies. Professional bodies that do not load data annually are allowed to rectify the situation within a specified period or face de-recognition. Ninety-six professional bodies loaded professional designation on the NQF MIS incorporating the NLRD during the financial year.



# PERFORMANCE INFORMATION BY PROGRAMME

At the time of developing and getting approval for the APP, SAQA had the following programmes:

Programme	Sub-Programme	Strategic Outcome/s	Effect of Restructure
<b>1. ADMINISTRATION</b>	<i>1.1 Executive Office:</i> responsible for the overall coordination and organisational performance in response to SAQA's mandate	We have visionary and influential leadership that drives a clear, evidence- based NQF Agenda	The Executive Office is reduced to the Office of the CEO with one Manager responsible for international stakeholders
	<i>1.2 Finance and Administration:</i> responsible for effective financial and infrastructural governance and resources to support SAQA's objectives	We have a competent and capable team, dedicated and resourced to further develop and maintain the NQF	Not significantly affected by the restructure
	<i>1.3 Human Resources:</i> responsible for providing strategic and operational support to embrace diversity, environmental sustainability, and social justice and contribute towards the delivery of SAQA's mandate	We have a competent and capable team, dedicated and resourced to further develop and maintain the NQF	Re-named People Management under the Governance, People and Strategy Division
	<i>1.4 Information Technology:</i> responsible for effective ICT governance and IT infrastructural resources to support the achievement of organisational objectives and business processes	We have stakeholders and role-players who are aligned to deliver on the NQF	Moved to Programme 3 and re-named Information & Communication Technology (ICT)
	<i>1.5 Advocacy, Communication and Support:</i> responsible for informing stakeholders and the public about the NQF, SAQA and related matters	We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda	This directorate was closed. The Communication function was retained under the Governance, People and Strategy Division
<b>2. REGISTRATION AND RECOGNITION</b>	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	We have stakeholders and role-players who are aligned to deliver on the NQF; and  We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Not significantly affected by the restructure

Programme	Sub-Programme	Strategic Outcome/s	Effect of Restructure
<b>3. NATIONAL LEARNERS' RECORDS DATABASE</b>	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	We have stakeholders and role-players who are aligned to deliver on the NQF; and  We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Re-named the NQF MIS (National Qualifications Framework Management Information System) and is a Sub-Programme of Programme 3
	3.1 <i>VERIFICATIONS PROJECT</i> : responsible for verifying the authenticity of national qualifications	We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Greatly affected by the re-structure. This project was absorbed into the Authentication Services unit under Programme 4
<b>4. FOREIGN QUALIFICATIONS EVALUATION AND ADVISORY SERVICES</b>	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	We have a dynamic NQF that is responsive, adapts to, and support the changing needs of lifelong learners	Greatly affected by the re-structure. This project was absorbed into the Authentication Services unit under Programme 4
<b>5. RESEARCH</b>	Responsible for conducting evidence-based research to evaluate the impact of the NQF and inform the development and further implementation of the NQF	We have a dynamic NQF that is responsive, adapts to, and support the changing needs of lifelong learners; and  We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Not significantly affected by the restructure
<b>6. INTERNATIONAL LIAISON</b>	Responsible for liaising with international partners on matters concerning qualifications frameworks and sharing best practices within the NQF family	We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda	This directorate was closed, and the function was moved to the Office of the CEO under Programme 1

After the re-structure in May 2021, SAQA now has three divisions with five programmes. Programme 1 comprises the Finance & Administration Division, Governance, People and Strategy Division and the Office of the CEO. Programmes 2 – 5 belong to the NQF Operations Division. The Revised APP approved by the Minister: HESI in November 2021 is based on the new structure. Details appear in the table below.

Programme	Sub-Programme	Strategic Outcome/s
1. ADMINISTRATION	1.1 Executive Office: responsible for oversight of the overall organisational performance and SAQA's international initiatives  Includes:  a. International Stakeholders and Business Development sub-unit	We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda
	1.2 Finance and Administration: responsible for effective financial and infrastructural governance and resources to support SAQA's objectives	We have a competent and capable team, dedicated and resourced to further develop and maintain the NQF
	1.3 Governance, People & Strategy: responsible for the following functions: human resources (People Management), governance, legal, compliance to legislation, risk management, strategy, reporting, performance monitoring and evaluation, and communications through SAQA's digital and traditional media platforms.  Includes:  a. People Management unit b. Strategy, Reporting & Performance M&E sub-unit c. Governance, Legal & Compliance sub-unit d. Communications sub-unit	We have a competent and capable team, dedicated and resourced to further develop and maintain the NQF  We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda
2. REGISTRATION AND RECOGNITION	Responsible for registering nationally relevant and internationally comparable qualifications and part- qualifications that meet national criteria and articulate across sub-frameworks; and recognising professional bodies and registering professional designations	We have stakeholders and role-players who are aligned to deliver on the NQF; and  We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people
3. INFORMATION & COMMUNICATION TECHNOLOGY (ICT)	Responsible for effective ICT governance and IT infrastructural resources to support the achievement of organisational objectives and business processes  3.1 NQF MIS (incorporating the NLRD): 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	We have stakeholders and role-players who are aligned to deliver on the NQF  We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people  We have stakeholders and role-players who are aligned to deliver on the NQF
4. AUTHENTICATION SERVICES	Responsible for verifying national qualifications and evaluating foreign qualifications against set criteria and comparing the foreign qualifications with similar qualifications on the South African NQF	We have a dynamic NQF that is responsive, adapts to, and support the changing needs of lifelong learners  We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people

Programme	Sub-Programme	Strategic Outcome/s
<b>4. AUTHENTICATION SERVICES</b>	Responsible for verifying national qualifications and evaluating foreign qualifications against set criteria and comparing the foreign qualifications with similar qualifications on the South African NQF	<p>We have a dynamic NQF that is responsive, adapts to, and support the changing needs of lifelong learners</p> <p>We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people</p>
<b>5. RESEARCH</b>	Responsible for conducting evidence-based research to evaluate the impact of the NQF and inform the development and further implementation of the NQF	<p>We have a dynamic NQF that is responsive, adapts to, and support the changing needs of lifelong learners; and</p> <p>We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people</p>

This report is based on the Annual Performance Plan for 2021/22 that the Executive Authority tabled in Parliament on 1 April 2021 and the Revised Annual Performance Plan 2021/22 that the Minister: HESI approved on 12 November 2021. The report is structured according to the original structure as detailed in SAQA's APP. Linkages to the new structure and the Revised APP can be found below each table.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have visionary and influential leadership that drives a clear, evidence- based NQF Agenda	Strengthened System of Collaboration and NQF structures	1. An effective System of Collaboration and NQF structures	Implemented the System of Collaboration to guide mutual relations between SAQA and the QCs and reported on its effectiveness  Reviewed the System of Collaboration and amended it as required	Achieved  Assessed the effectiveness of the System of Collaboration  Produced a report and sent the Board-approved report to the Minister: HESI	Report on the effectiveness of the System of Collaboration	Achieved Target  Reported on the effectiveness of the System of Collaboration  The SAQA Board approved the report for submission to the Minister: HESI	No	N/A	N/A
	Advice to the Executive Authority on NQF matters, including the alignment of relevant laws	2. Evidence of advice provided to the Executive Authority	Provided advice to the Minister: HET on all requested matters, or as and when deemed necessary	Achieved  SAQA advised the Minister: HESI on the following:  *Determination of the Sub-Frameworks;	Advise the Executive Authority on NQF matters as required	Achieved Target  The SAQA Board did not have any new advice for the Minister, but	No	N/A	N/A

1.1 Executive Office									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
				<p>* Ending the transitional arrangements from the SAQA Act to the NQF Act; and</p> <p>*The Matriculation Board function</p> <p>The Board approved advice to the Minister to publish data regulations for submission of information to the NLRD;</p> <p>However, DHET advised SAQA not to send the advice until the President had proclaimed the NQF Amendment Act, 2019</p>		the Board followed up on the advice sent to the Minister: HESI in December 2020			

1.1 Executive Office									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	Implementation of the closure of transitional arrangements from the SAQA Act to the NQF Act	3. Compliance with the requirements of the NQF Act		Completed ahead of schedule  In addition to the progress report, SAQA provided advice to the Minister on ending the transitional arrangements	No target set for this year	N/A	N/A	N/A	N/A

Post restructure (Revised APP): Output indicators 1, 2 and 3 are located under the Governance, People and Strategy Division, under the Strategy, Reporting & Performance M&E sub-unit, in Programme 1.

1.2 Finance & Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have a competent and capable team, dedicated and resourced to further develop and maintain the NQF	Alternative revenue streams to support the work of SAQA	4. Sufficient revenue to support SAQA's work		Achieved  Developed a strategy to secure alternative funding  The Board approved the proposed strategy	Implement a plan for alternate funding	Achieved Target  Implemented the Alternate Funding Plan  Generated additional revenue of R 13 250 per month through a rental agreement for parking space  Generated additional revenue through a contract with Durban University of Technology for R 600,000 over three years  Received additional income of R 397 202 from World Education Services for a pilot project involving the recognition of refugee qualifications  Received additional funding of R9,8 million from DHET for the Automation Project	No	N/A	N/A

Post restructure (Revised APP): This Finance and Administration Directorate is now the Finance and Administration Division.



1.3 Human Resources									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have a competent and capable team, dedicated and resourced to further develop and maintain the NQF	Re-design SAQA's structure to better suit delivery on its strategy	5. SAQA's structure is aligned to deliver on its strategy		Achieved  Reviewed and re- designed the organisational structure  After a series of consultations, the 6 <sup>th</sup> Board approved the proposed micro-structure and the 7 <sup>th</sup> Board approved the micro-structure for implementation	Implement the new structure	Achieved target  Implemented the new structure  Completed two independent monitoring & evaluation exercises and used the results to make adjustments to the structure  The SAQA Board approved the current structure	No	N/A	N/A
	Staff capacity building programmes	6. Implemented Staff capacity building programmes	All SAQA staff members participated in at least one learning and development activity	Achieved  Every staff member participated in at least two learning interventions  Recorded activities for 22 learning interventions  SAQA sponsored two (2) employees to study towards their formal qualifications	Every staff member has at least two learning interventions per year	Achieved Target  Each staff member attended at least two learning interventions during the financial year	No	N/A	N/A

Post restructure (Revised APP): This directorate is re-named the People Management unit under the Governance, People & Strategy Division in Programme 1.

1.4 Information Technology									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have stakeholders and role-players who are aligned to deliver on the NQF	3 NLRD Registers	7. Efficient electronic processes across SAQA		Not achieved  Developed a separate register for Professional designations  Developed registers in- house for the misrepresented qualifications and fraudulent qualifications, but it was not fit for purpose	Develop the electronic Registers for misrepresented qualifications and fraudulent qualifications as part of the NLRD, if budget permits	Achieved Target  Completed the development of the electronic Registers for misrepresented qualifications and fraudulent qualifications as part of the NQF MIS incorporating the NLRD	No	N/A	N/A
	A workflow system for the evaluation of foreign qualifications			No target set in the Revised APP	No target set for this year	N/A	N/A	N/A	N/A
	A workflow tracking system for qualifications and part-qualifications	8. Integrated Tracking System for qualifications and part-qualifications		Achieved  Conceptualised a workflow tracking system for qualifications and part- qualifications in collaboration with the CHE  The development of the workflow is in progress	No target set for this year	N/A	N/A	N/A	N/A

Post restructure (Revised APP): This directorate is now the Information and Communication Technology (ICT) unit under Programme 3.

1.5 Advocacy, Communications & Support									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda	The NQF explained simply (Simplification)	9. Stakeholders access simplified information about the NQF	Recorded <b>4 200 000</b> people interacting with content on SAQA/ NQF digital platforms	Exceeded target SAQA hosted four webinars focusing on the NQF and two social media campaigns  Followers made <b>2 151 015</b> impressions on SAQA's social media platforms and website	Implement four online campaigns aimed at informing the public about the NQF	Achieved Target  Implemented four online campaigns aimed at informing the public about the NQF  1 <sup>st</sup> campaign: targeted the youth during Youth month  2 <sup>nd</sup> campaign: was about SAQA's 25 <sup>th</sup> birthday #SAQA25  3 <sup>rd</sup> campaign: SAQA Annual Integrated Report (AIR) social media engagement campaign  4 <sup>th</sup> campaign: Isikolo siphumile – a TikTok video about registered qualifications in both English and siSwati  We also hosted a stakeholder webinar on the NQF and 4IR  Members of the public left <b>2 242 471</b> impressions on SAQA's website and social media platforms	No	N/A	N/A

## 1.5 Advocacy, Communications &amp; Support

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	A growing number of learner achievements on the NLRD	10. An increasing number of learner achievements recorded on the NLRD		<p>Achieved</p> <p>The NLRD contains <b>17 918 214</b> qualification achievements, <b>1 191 266</b> professional designation awards and <b>113 886 076</b> part-qualification achievements</p> <p>The total number of unique learners' records is <b>20 555 731</b></p>	Ensure that the NLRD contains at least 21 000 000 learner achievements	Refer to the revised table below	Yes	Revised the output indicator and annual target	<p>Re-phrased the output indicator and planned annual target in the Revised APP as the target in the original APP had already been achieved before the start of the financial year</p> <p>(see comment on deviation below)</p>

# Revised APP 2022/22 Programme 1

1.5 Advocacy, Communications & Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2020/21	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda	A growing number of learner achievements on the NLRD	An increasing number of <b>learners with achievements</b> recorded on the NLRD			Ensure that the NLRD contains at least 21 000 000 <b>learners with achievements</b>	Achieved Target  The NQF MIS incorporating the NLRD contained <b>21 365 389</b> learners with achievements	N/A	N/A

Post restructure (Revised APP): The Advocacy, Communications & Support directorate was shut down. The Communications sub-unit took its place within the Governance, People & Strategy Division under Programme 1.

## Programme 1: Contribution to SAQA's Strategic Goals

**Office of the CEO** is responsible for oversight of the overall performance of the authority in response to SAQA's mandate. The Executive Office's role is to provide leadership to SAQA staff, act as the bridge between the Board and staff and to grow SAQA's international footprint.

**Finance and Administration Division** is responsible for effective financial and infrastructural governance and resources to support SAQA's objectives. The Finance and Administration Division ensures that SAQA adheres to the PFMA and National Treasury requirements. This Division must also ensure that SAQA has the required budget to deliver on its mandate and that expenditure is within budget. Lastly, the Division is responsible for maintaining the building infrastructure and managing building security and access.

**Governance, People & Strategy Division** (previously part of the Executive Office, Human Resources and Advocacy, Communications & Support) fulfils the function of Corporate Services (People Management). In addition, this division is responsible for SAQA's strategy and reporting functions, legal, governance and risk reporting, oversight of stakeholders in the NQF family through the CEO Committee; promotion of the values of the NQF; providing advice to the Minister: HESI on matters involving the legislative and policy environment and promoting the NQF and SAQA through social and traditional media platforms.

**People Management unit** (previously Human Resources) is responsible for providing human resource support to embrace diversity, environmental sustainability, and social justice and contribute towards the delivery of SAQA's mandate. This unit ensures that SAQA employs the right people with the right skills, and that staff are trained to deliver on SAQA's mandate.

**Communications sub-unit** (previously the Advocacy, Communications & Support Directorate) is responsible for informing stakeholders and the public about the NQF, SAQA and related matters, through SAQA's website and social media platforms, and occasionally through traditional media. This sub-unit works with the Quality Councils, DHET and DBE on joint communication campaigns for the public.

**Strategy, Reporting & Performance Monitoring & Evaluation sub-unit** (previously in the Executive Office) is responsible for communication with the Minister: HESI and the NQF family through the CEO Committee, for oversight of the further development and implementation of the NQF by the NQF family, for reporting progress of specific projects to the Minister: HESI, for the development of SAQA's strategy under the supervision of the Board, and for meeting quarterly performance reporting requirements.

**Governance, Risk, Compliance & Legal sub-unit** (previously in the Executive Office) ensures that SAQA abides by good governance principles; and that risk management is an integral part of

SAQA's operations. This sub-unit also manages all SAQA's legal matters and liaises with attorneys when necessary.

**Information and Communication Technology unit** (previously the Information Technology Directorate) is responsible for ensuring effective IT governance and the aligned development of IT infrastructural resources to support the achievement of organisational objectives and business processes. The IT Directorate drives SAQA's plans to embrace the Fourth Industrial Revolution by enabling the automation of operations across the organisation and developing end-to-end workflows where required. This unit has moved to Programme 3.

Programme 1 contributes to achieving three of the five Outcomes. They are:

- A dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning
- Visionary and influential leadership that drives a clear, evidence based NQF Agenda
- A competent and capable team, dedicated and resourced to develop and maintain the NQF

### Comment on deviations

The NQF MIS incorporating the NLRD as at 30 June 2021 showed the following:

	TOTAL # RECORDS ON THE NLRD
<b>LEARNERS</b>	
# learners	20 701 417
<b>ACHIEVEMENTS</b>	
# qualification achievements	18 078 770
# part-qualification achievements	114 166 949
# people awarded professional designations	1 192 467
Total Learner Achievements	133 438 186

As the target for learner achievements had already been exceeded, the target was amended to measure learners with achievements.

## Programme 2

2. Registration & Recognition									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have stakeholders and role-players who are aligned to deliver on the NQF	Improved turnaround times for the registration of qualifications and part-qualifications (Simplified NQF)	11. Streamlined processes and improved turnaround times		<p>Achieved</p> <p>Registered all qualifications recommended by QCs that met all SAQA's criteria, within four months of submission</p> <p>Processed 287 qualifications for registration on the NQF</p> <p>Registered in 1 month: 65%</p> <p>Registered in 2 months: 10%</p> <p>Registered in 3 months: 5%</p> <p>Registered in 4 months: 20%</p>	Register qualifications recommended by QCs that meet all SAQA's criteria within four months of submission	<p>Not Achieved</p> <p>Did not register all qualifications recommended by QCs that met all SAQA's criteria, within four months of submission</p> <p>Registered 253 qualifications on the NQF:</p> <p>Registered in 1 month: 9.0% (23)</p> <p>Registered in 2 months: 41% (104)</p> <p>Registered in 3 months: 36% (92)</p> <p>Registered in 4 months: 12% (31)</p> <p>Non-achieved 1% (3)</p>	Yes	<p>The 3 qualifications were originally not recommended for submission to the Qualifications Committee, but after further scrutiny, it met the requirements</p> <p>However, the qualifications were cleared too late for the November Qualifications Committee meeting and stood over to the February meeting</p> <p>This resulted in a delay in registering these qualifications</p>	N/A
	Reduced proliferation of qualifications registered on the NQF (Simplified NQF)	12. Increased number of national qualifications and part-qualifications registered on the NQF		No target for 2020/21 in the Revised APP	No target set for this year	N/A	N/A	N/A	N/A

## 2. Registration &amp; Recognition

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Registered qualifications that articulate across Sub-Frameworks (Simplified NQF)	13. Increased number of qualifications that articulate across Sub-Frameworks		<p>Achieved</p> <p>Identified qualifications with no articulation pathways and requested missing information from the QCs</p> <p>Updated the records of qualifications on the NLRD where QCs had provided information</p>	Track progress made in terms of ensuring that the identified qualifications have articulation pathways across and within sub-frameworks	<p>Achieved Target</p> <p>All information provided by the QCs have been updated on the system</p> <p>Tracking grid on qualifications with outstanding pathways is up to date</p> <p>SAQA did not receive any further updates during the year</p> <p>The CHE requested SAQA to extend the registration date of 7 000 qualifications to allow for the revision of all CHE qualifications, which includes the 6 outstanding qualifications on the Tracking Grid</p> <p>The QCTO indicated that it is in the process of reviewing all qualifications to be aligned to the revised OQSF Policy as well as the Ministerial Determination of 24 December 2020, which includes all outstanding qualifications on the Tracking Grid</p>	No	N/A	N/A



2. Registration & Recognition									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	A refined understanding of a professional body and its value-add in the NQF landscape (Simplified NQF)	14. A clearly defined role of a professional body		Conducted research on the role of statutory and non-statutory professional bodies and produced a research document outlining these roles	Clearly define the roles of statutory and non- statutory professional bodies in relation to SAQA's professional body function	Target Achieved  The SAQA Board approved the SAQA Professional Body Model derived from the findings of the research report  This model will provide a foundation for working with statutory and non- statutory professional bodies	No	N/A	N/A

Post restructure (Revised APP): The Registration and Recognition directorate became a unit under the NQF Operations Division. It remains in Programme 2.

## Programme 2: Contribution to SAQA's Strategic Goals

This programme is responsible for registering qualifications and part-qualifications, recognising professional bodies and registering professional designations. This programme contributes to two of the five Outcomes. They are:

- We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people; and
- We have stakeholders and role-players who are aligned to deliver on the NQF

The five-year focus is for this unit to:

- Develop a streamlined workflow to register qualifications faster;
- Create clear policies and guidelines for registering national qualifications;
- Reduce the number of qualifications on the NQF by encouraging the Quality Councils to recommend national qualifications instead of provider qualifications; and
- Craft a value proposition for statutory and non-statutory professional bodies that are recognised by SAQA.

### Comment on deviations

Note that the deviation in Output Indicator 11 has been explained in the table on Page 47.

## Programme 3

3. National Learners' Records Database (NLRD)									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	NLRD information for informed decision making	15. Access and use of NLRD information		Not Achieved Revamped the website, making it easier to gain access to the NLRD databases, but did not revamp the databases	No target set for this year	N/A	N/A	N/A	N/A
We have stakeholders and role-players who are aligned to deliver on the NQF	Legacy learner achievement records on the NLRD	16. Percentage completeness of legacy learner achievement data on the NLRD		No target set in the Revised APP	No target set for this year	N/A	N/A	N/A	N/A
	Current learner achievement records on the NLRD	17. Learner achievement records loaded within 30 days of records being quality assured		No target set in the Revised APP	No target set for this year	N/A	N/A	N/A	N/A

3. National Learners' Records Database (NLRD)									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	Professional designations on the NLRD	18. Percentage completeness of learner achievement data from professional bodies on the NLRD		Achieved All recognised professional bodies loaded professional designation achievements that meet the requirements, on the NLRD	All recognised professional bodies load professional designation achievements that meet the requirements, on the NLRD	Not achieved <b>96 of the 100</b> recognised professional bodies loaded data during the 2021/22 financial year	Yes	<p>The Allied Health Professional Council of South Africa (AHPCSA) failed to load due to pending legal issues</p> <p>The Institute of Loss Adjusters of Southern Africa (ILASA) failed to load data because it was derecognised on 30 March 2021, but has begun the process for re- applying for recognition</p> <p>The South African Council for Administrators (SACA) have not paid the annual fee and the process of de-recognition will start in the new financial year</p> <p>The South African Council for the Landscape</p>	N/A

3. National Learners' Records Database (NLRD)									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
								Architectural Profession (SACLAP) had technical problems with loading data	
	Registers of Misrepresented and Fraudulent Qualifications	19. Updated Registers of Misrepresented and Fraudulent Qualifications		Achieved  Developed the Policy on the Misrepresentation of Qualifications  The Board approved the Policy in December 2020	No target set for this year	N/A	N/A	N/A	N/A
			Maintained and reported bi-monthly on the Register of Misrepresented Qualifications to the Minister	Achieved  Updated the List of Misrepresented Qualifications	Update the Register of Misrepresented Qualifications	Achieved Target  Updated the List of Misrepresented qualifications	Yes	The President did not proclaim the NQF Amendment Act, 2019, thus establishing the Registers of Misrepresented and Fraudulent Qualifications  SAQA therefore updated the List of Misrepresented Qualifications	N/A

### 3. National Learners' Records Database (NLRD)

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
			Updated and reported on the Register of Fraudulent Qualifications	No target set in the Revised APP	No target set for this year	N/A	N/A	N/A	N/A

Post restructure (Revised APP): The NLRD Directorate was shut down and re-engineered into the NQF MIS sub-unit under the NQF Operations Division. It remains in Programme 3.



SAQA Interns

3.1 Verifications Project									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	A trusted qualification verification process	20. A Verification service used by employers and institutions		Not achieved  Did not complete all applications received for the verification of national qualifications within 20 working days	Complete all applications received for the verification of national qualifications within 25 working days	Not achieved  Did not complete all applications received for the verification of national qualifications within 25 working days	Yes	Staff retrenchments resulting from SAQA's restructure has resulted in backlogs in this unit, and despite the use of temporary contract staff brought in to reduce the backlogs, the function was still not able to meet its target.  SAQA's Automation Project will address this issue	N/A

Post restructure (Revised APP): The Verifications Project was closed and the functions were absorbed into the Authentication Services Unit under the NQF Operations Division, and moved to Programme 4.

### Programme 3: Contribution to SAQA's Strategic Goals

**NQF MIS sub-unit** (previously the NLRD Directorate) is responsible for maintaining and further developing the NQF MIS incorporating the NLRD as the critical national source of information for human resource and skills development in policy, infrastructure and planning. The sub-unit's five- year focus is on:

- Securing and loading legacy learner achievements;
- Ensuring that QCs load records within thirty days of the information being in the public domain;
- Creating and maintaining the Registers of Misrepresented and Fraudulent Qualifications; and
- Publishing public databases of qualifications and related information for public consumption.

**Authentication Services unit** (previously the Verifications Project) is responsible for verifying the authenticity of national qualifications. This function must ensure that SAQA

streamlines its processes where possible so that it can reduce the time that it takes to verify qualification achievements. SAQA has begun a project to automate these processes.

**Programme 3 contributes to achieving two of the five Outcomes. They are:**

- We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people; and
- We have stakeholders and role-players who are aligned to deliver on the NQF

#### Comment on deviations

There were three deviations in Programme 3. The deviations were adequately explained in the table above.



## Programme 4

4. Foreign Qualifications Evaluation & Advisory Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have a dynamic NQF that is responsive, adapts to, and support the changing needs of life-long learners	A foreign qualifications evaluation and advisory service that meets changing learner and worker needs	21. Articulation from foreign systems into South Africa takes place		No target set in the Revised APP	Complete all compliant applications received for the evaluation of foreign qualifications within 3 months	Not achieved  Did not complete all applications received for the evaluation of foreign qualifications within 3 months	Yes	Staff retrenchments resulting from SAQA's restructure has resulted in backlogs in this unit, and despite the use of temporary contract staff brought in to reduce the backlogs, the function was still not able to meet its target. SAQA's Automation Project will address this issue  During the internal audit review of performance information, internal audit noted that the method of calculation as per the technical indicator description was incorrectly captured in the APP	N/A

## 4. Foreign Qualifications Evaluation &amp; Advisory Services

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
								<p>The numerator (x) is the number of compliant applications processed each financial year and the denominator (y) is number of completed applications within three months from recording compliant applications</p> <p>These variables were reversed in the TID</p> <p>Despite the incorrect capturing in the TID, the calculations were correctly done</p>	

4. Foreign Qualifications Evaluation & Advisory Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		22. The evaluation criteria align with the current legislative and policy context		Achieved  Considered the implications of the NQF Amendment Act and reviewed the policy and criteria for evaluating foreign qualifications pending the proclamation of the Amendment Act	No target set for this year	N/A	N/A	N/A	N/A

Post restructure (Revised APP): This directorate was closed, and the relevant functions were moved into the Authentication Services unit under the NQF Operations Division. It remains in Programme 4.

### Programme 4: Contribution to SAQA’s Strategic Goals

**Authentication Services unit** (previously the Foreign Qualifications and Advisory Services Directorate) is responsible for evaluating foreign qualifications and locating them on the SA NQF.

This unit must ensure that it streamlines its processes to ensure that the reduced staff are able to deliver on services timeously; and improves on its turnaround times. A project to automate these processes has already begun.

Programme 4 contributes to achieving one of the five Outcomes, namely:

- A dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning.

### Comment on deviations

SAQA did not meet its target to *complete all compliant applications received for the evaluation of foreign qualifications within 3 months*. The deviation has been adequately explained in the table above.

## Programme 5

5. Research									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning	Reviewed NQF Policies and recommendations for Policy amendments	23. Number of policies reviewed		Achieved  Reviewed and amended the CAT Policy  Reviewed and amended the Policy & Criteria for Recognising a Professional Body and Registering a Professional Designation  The Board approved both policies	Review one NQF policy	Achieved Target  Reviewed the Policy and Criteria for Registering Qualifications and Part-Qualifications on the NQF  The approved Policy is available on SAQA's website	No	N/A	N/A
	Implemented Policies	24. The implementation of amended Policies is monitored		No target for 2020/21	No target set for this year	N/A	N/A	N/A	N/A
	Research on the implementation of the NQF	25. Findings and recommendations of NQF-related research	Produced a progress report on the 2021 NQF Impact Study	Produced a progress report on the 2021 NQF Impact Study	Produce the draft 2021 NQF Impact Study Report	Achieved Target  Produced the Draft 2021 NQF Impact Study Report	N/A	N/A	N/A
			Provided a detailed report on progress made with the existing partnership	Compiled specifications for a new research and development partnership	No target set for this year	N/A	N/A	N/A	N/A

5. Research									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Coordinated Articulation, CAT and RPL initiatives	26. Record of Articulation initiatives	Reported on SAQA's contribution to the Action Plan for Articulation	Achieved Provided the Minister with a report on progress made by SAQA and the QCs in implementing the Articulation Policy After Board approval	Provide the Minister with a report on progress made by SAQA and the QCs in implementing the Articulation Policy	Achieved Target Collated report on the progress made on implementing the Articulation Policy for 2021/22 The Board approved the report for submission to the Minister	No	N/A	N/A

Post restructure (Revised APP): The Research Directorate became the Research unit. There were no significant changes to the unit's structure or outputs.

### Programme 5: Contribution to SAQA's Strategic Goals

The unit is responsible for conducting evidence-based research to track the development and implementation of the NQF and to evaluate the impact of the NQF on the people in South Africa.

The five-year focus is on:

- Recommending amendments to current NQF Policies based on research;
- Producing the 2021 NQF Impact Study Report;
- Establishing a new research partnership; and
- Monitoring the implementation of the amended Policies.

Programme 5 contributes to two of the five Outcomes, namely:

- We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning
- We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people

### Comment on deviations

There were no deviations.

## Programme 6

6. International Liaison									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda	National and international promotion of the SA NQF	27. Prominent national, regional and global standing		SAQA participated in the UNESCO Flexible Learning Pathways project	Identify and implement two initiatives to promote the SA NQF	Exceeded Target  Implemented nine initiatives to promote the SA NQF  These initiatives included collaborations with the Unfurling Post School Education and Training (UPSET) and Higher Education Reform Experts-South Africa (HERESA) initiatives	Yes	With travel restrictions in place, there are many more opportunities to participate in online initiatives There was no impact on SAQA's budget, so we could take advantage of these opportunities	N/A
	Sharing of national and international trends and best practices with stakeholders	28. Informed stakeholders		Exceeded target  Developed a paper "Case Study of Flexible Learning Pathways in South Africa", for inclusion in UNESCO's book on flexible learning pathways	Identify and implement two initiatives to share national and international best practice with stakeholders	Exceeded target  Implemented six initiatives to share national and international best practice with stakeholders	Yes	With travel restrictions in place, there are many more opportunities to participate in online initiatives There was no impact on SAQA's budget, so we could take advantage of these opportunities	N/A

6. International Liaison									
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
				<p>The paper is entitled “ National Qualifications Framework (NQF) Policy Framework for Flexible Learning Pathways (FLPs) in Post-School Education and Training (PSET) in South Africa”</p> <p>Produced a paper on foreign school leaving qualifications in SADC and distributed it to the NQF Family through the CEO Committee</p> <p>SAQA hosted four webinars to inform stakeholders about the NQF</p>					
	Implementation of Addis Convention	29. Recognition of international studies		<p>Achieved</p> <p>Developed a plan for SAQA to implement the Addis Convention</p>	No target set for this year	N/A	N/A	N/A	N/A

Post restructure (Revised APP): The International Liaison Directorate was closed and responsibility for International Stakeholders moved into the Office of the CEO under Programme 1. There is no Programme 6 in the new structure.

## Programme 6: Contribution to SAQA's Strategic Goals

International Stakeholders (previously International Liaison) is responsible for working with international partners on matters concerning qualifications frameworks and sharing best practice with stakeholders.

Its five-year focus is on:

- Growing its national, regional and global standing;
- Having well-informed stakeholders; and
- Implementing the Addis Convention.

Programme 6 contributes to one of the five Outcomes, namely:

- We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda

### Comment on deviations

There are two deviations for Programme 6. These deviations were adequately explained in the table above.

## Programme expenditure

Programme and Sub-Programme Name	2021/22			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
1. Administration & Support						
1.1 Executive Office	5 657	4 586	1 071	10 309	9 882	427
1.2 Finance & Administration	31 927	22 923	9 004	20 602	31 209	(10 607)
1.3 Peoples Management	6 131	5 912	219	4 702	4 127	575
1.4 Information & communications Technology	25 084	15 955	9 129	12 813	10 681	2 132
1.5 Governance, People & Strategy	12 464	6 176	6 288	9 535	9 688	(153)
2. Recognition and Registration	10 547	8 645	1 902	8 942	8 255	687
3. National Learners' Records Database including Verifications Project				16 880	16 149	731
4. Authentication unit	23 341	17 522	5 819	30 759	31 404	(645)
5. Research	5 008	4 226	782	4 095	3 993	102
6. International Liaison	-	-		2 642	2 499	143
<b>Total</b>	<b>120 159</b>	<b>85 945</b>	<b>34 214</b>	<b>121 279</b>	<b>127 887</b>	<b>(6 608)</b>



## Revenue collection

SAQA received a grant of R 82,793 million from the Department of Higher Education and Training as its original allocation. In January 2022, DHET made available a further R9,8 million for the Business Automation project. This project began in January 2022 and will conclude in March 2024.

SAQA collected revenue of R 50,244 million, mainly from revenue generated through Foreign Qualifications Evaluations, Verification fees and Professional bodies fees.

Sources of revenue	2021/2022		
	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000
Government Grant	92,593	92,593	
Evaluation fees	25,000	33,892	(8,892)
Verification fees	10,000	11,551	(1,551)
Professional bodies fees	1,500	2,485	(986)
Rental Income	79	125	(46)
Sundry Income	560	942	(382)
Interest Received	1,200	1,249	(49)
Retained surplus funds	4,346		
<b>Total</b>	<b>135,278</b>	<b>142,837</b>	<b>(7,559)</b>

## Capital Expenditure

Capital Expenditure	2021/22			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
Land and Buildings	2 500	761	1 739	1 000	265	735
IT Equipment	2 000	2 855	(855)	2 200	475	1 725
Motor Vehicles						
Furniture and Fixtures	675	2	673	100		100
Intangible Assets					1 290	(1 290)
<b>Total</b>	<b>5 175</b>	<b>3 618</b>	<b>1 557</b>	<b>3 300</b>	<b>2 030</b>	<b>1 270</b>

### Evaluation Fees

There is an increase in revenue collection due to greater demand for services and the appointment of temporary staff from August 2021 to help with the increased demand. In the current year, SAQA has seen a steady increase in applications received, though still below the pre-Covid numbers.

### Verification Income

The income of R 11,5 million recognised at the end of March 2022 showed an increase over the same twelve-month period in 2020/21. This is a positive trend.

### Rental income

SAQA has rented out parking spaces to the Department of Correctional Services on a month-to-month contract since 01 October 2021. This has brought in some additional income.

### Sundry income

SAQA received funding from World Education Services (WES) to implement a pilot project to recognise the qualifications of refugees and asylum seekers in South Africa. SAQA also generated income through its data extraction services from the Services SETA, Bank SETA, Local Government SETA and Fibre Production Manufacturing SETA, and MTL Technical (Pty) Ltd as part of the arrangement between SAQA and these SETAs.

### Interest received

The interest of R 1,249,631,00 generated exceeded the budget expectations of R 1,2 million for the year. The favourable variance is mainly due to the higher-than-expected interest rate offered by CPD.

### Capital investment

During the Financial year 2021/22, the Board approved the sale of SAQA House, following the restructuring process, which reduced the number of staff. SAQA currently occupies three (3) out of six (6) floors. The process of the sale of the building required the Minister's approval before SAQA could sell the building in line with section 54(2) of the PFMA.

A request to sell the SAQA building was sent to the Minister: HESI for his approval during the financial year 2021/22. The Minister: HESI granted his approval in May 2022. The sale of the building will proceed during 2022/23.

SAQA undertook the following infrastructure projects in the year under review:

- SAQA had planned the refurbishment of the SAQA House ablution facilities, which was put on hold pending the Minister's response to the request to sell the building.
- SAQA replaced the torn carpets with ceramic tiles on floors 5 & 6 in December 2021, and the work was completed in January 2022 at the cost of R 761,334,50. This work was planned because of the high health and safety risk the torn carpets posed. A certificate of compliance for our electrical infrastructure at the cost of R 312,455,07 for the building was received, and the entity is now fully compliant.

- No further infrastructure projects are in progress as we have received the Minister's approval to sell the building.
- SAQA retained its maintenance schedule concerning its hard services. Maintenance occurred and is ongoing with the HVAC equipment, electrical infrastructure, plumbing, handyman work, the lifts, the firefighting equipment, and the generator. The pending sale of the building has hampered this work because we have only done the minimum to stay compliant with regard to the maintenance of the infrastructure.
- SAQA spent an amount of R 2,035,765,50 on Repairs and Maintenance of the infrastructure.
- SAQA disposed of assets consisting of furniture, fittings, and computer equipment that were no longer fit for use by its employees following the verification of assets in February and March 2022. This resulted in it recognising a loss on the disposal of assets of R 200,247,00 as the assets were not fully depreciated.
- The internal control measure to keep the asset register up to date is in place, reconciliations between the general ledger and fixed asset register are prepared monthly, and asset verifications are conducted biannually.

Infrastructure projects	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Repairs and Maintenance	2,001	1,274	727	N/A	N/A	N/A
Tiling Project	3,325	761	2,564	N/A	N/A	N/A
<b>Total</b>	<b>5,326</b>	<b>2,035</b>	<b>3,291</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**Repairs and Maintenance**

R 1,2 million was mainly spent on repairs and maintenance of electrical units, maintenance of lifts and plumbing services

**Tiling project**

R 761,000,00 was spent on replacing the torn carpets with ceramic tiles on floors 5 & 6 in December 2021, and the work was completed in January 2022. This work was due to the high health and safety risk of torn carpets.



GPS Management

Governance, Risk, Compliance and Legal Sub - Unit



# **PART C**

Governance



SAQA CSI Project: Donations to schools

## INTRODUCTION

In addition to the NQF Act, 2008, as amended and the South African Constitution, SAQA abides by the Public Finance Management Act (PFMA), 1999. SAQA also voluntarily aligns with the King IV Code on Corporate Governance. As a public entity bound by the principles of the PFMA, SAQA continuously works towards improving its already sound governance processes. Commitment to the principles of openness, integrity, efficiency, accountability, and compliance, as reflected in the King IV Code of Governance Principles 2016, is evident in SAQA's unbroken record of unqualified and clean audit opinions throughout its twenty-five years of existence.

## PORTFOLIO COMMITTEE ON HIGHER EDUCATION, SCIENCE AND INNOVATION

In the period under review, SAQA made several presentations to the Portfolio Committee on Higher Education, Science and Innovation. On 5 May 2021, SAQA presented its Strategic Plan 2020/25 and Annual Performance Plan 2021/22. At the time of presenting its APP, SAQA raised the following challenges:

- Uncertainty about the final staff complement as SAQA was undergoing a restructure and redundant staff who could not be absorbed into the structure would be retrenched;
- Uncertainty about SAQA's budget as Covid 19 and the resultant lockdown had severely impacted SAQA's ability to generate revenue, and SAQA also had to factor in the cost of staff retrenchments;
- SAQA had an Acting CEO and CFO; and
- The assumption was that SAQA would have sufficient staff and funding to meet its APP deliverables.
- The Portfolio Committee requested further information on staff retrenchments and the staff who had been absorbed into the new structure.

On 10 November 2021, SAQA presented its Annual Integrated Report 2020/21 to the Portfolio Committee on Higher Education, Science and Innovation. SAQA presented its new structure and informed the Portfolio Committee about plans to automate processes to improve efficiencies and speed up service delivery. SAQA was applauded for a clean audit opinion and its good governance.

## EXECUTIVE AUTHORITY

The Executive Authority of SAQA is the Minister of Higher Education, Science, and Innovation (HESI). SAQA provided quarterly reports to the Minister: HESI on progress towards achieving the targets outlined in its APP for 2021/22. SAQA also reported progress on implementing the Ministerial Guidelines and Articulation Policy, as required, and how SAQA and the QCs worked together within the framework of the System of Collaboration to implement the NQF. Cases of misrepresented qualifications uncovered during national and foreign qualifications verification were reported to the Minister quarterly.

SAQA also followed up on advice that it had provided the Minister, HESI relating to the ending of transitional arrangements of the SAQA Act and the Matriculation Board function.

## BOARD COMPOSITION

SAQA is governed by a Board appointed by the Minister of Higher Education, Science and Innovation, following section 14(3)(a) of the NQF Act, 2008 as amended. The 7<sup>th</sup> Board, appointed in January 2021, comprises sixteen (16) members, fifteen (15) non-executive directors and one (1) executive director (CEO) of which:

- Twelve members were appointed in their individual capacities;
- At least two of the twelve (12) members represented organised labour; and
- The remaining four members are the CEOs of SAQA and the three QCs.

The Chairperson of the 7<sup>th</sup> SAQA Board is Professor Peliwe Lolwana, and the Deputy Chairperson is Dr James Keevy.

## BOARD STRUCTURE



Prof P Lolwana  
*(Chairperson)*



Dr J Keevy  
*(Deputy Chairperson)*



Dr J Reddy  
*(CEO)*



Mr A Benjamin



Mr B Gantile



Mr M Mafisa



Ms A Oberholzer



Mr G Louw



Ms T Van Wyk



Mr T Mashongoane



Ms J Agulhas



Ms P Sibiya CA (SA)



Dr L Meyer



Mr V Naidoo



Dr M Rakometsi



Dr W Green



## FUNCTIONS OF THE BOARD

The functions of the Board are set out in sections 5(3), 11 and 13 of the NQF Act, 2008, as amended. In summary, the SAQA Board:

- Must advise the Minister of Higher Education, Science and Innovation 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 credit accumulation and transfer, the recognition of professional bodies and registration of professional designations, and the development and maintenance of the content of level descriptors;
- It is required to ensure that South African qualifications are of acceptable quality and are internationally comparable;
- Is required to maintain a national learners' records database and to provide an evaluation and advisory service with respect to foreign qualifications; and
- Is responsible for conducting or commissioning research into NQF-related matters, collaborating with international counterparts and initiating and driving a clear, coordinated communication and advocacy strategy to assist providers, learners, and the public in understanding the new NQF architecture and the implications of the changes for them.

In addition to the responsibilities in the NQF Act, 2008 as amended, the Board also fulfils the Accounting Authority's role in 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 SAQA's assets and controlling its liabilities, revenue 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

As part of good corporate governance, the Board sets strategy and policy. Management then implements the strategy and decisions made by the Board and maintains systems of internal control, as well as accounting and information systems. The Board monitors the performance of management.

## ORGANISATIONAL STRUCTURE



Figure 3: SAQA Board & Sub-Committees

## ACTIVITIES OF THE BOARD AND ITS COMMITTEES

During the year under review, the 7<sup>th</sup> SAQA Board met five times to conduct its work and to attend to its strategic planning responsibilities. Section 16(1) of the NQF Act, 2008, as amended, allows the Board to establish committees to assist with the execution of its responsibilities. The table below reflects the structure of committees utilised by the SAQA Board.

The 7<sup>th</sup> SAQA Board has the following committees<sup>5</sup>:

Name of Committee	Chairperson
Executive Committee	Prof. P Lolwana
Audit and Risk Committee	Mr L Koyana
Information and Information Technology Committee	Mr M Mafisa
NQF Qualifications Committee	Dr J Keevy
Professional Bodies Committee	Ms J Agulhas
National and Foreign Qualifications Appeals Committee	Ms A Oberholzer
Professional Body Appeals Committee	Mr G Louw

Following section 16(2) of the NQF Act, 2008, as amended, persons who are not members of the Board can be co-opted to serve on Board committees.

Each committee (except the Audit and Risk Committee, which requires an independent chairperson) is chaired by a Board member. At least two Board members are members of each of the committees. Over the period under review, all Board committees operated within their approved Terms of Reference as described in SAQA's Governance Manual. Apart from the members, the Executives, relevant senior managers, and managers also attended meetings of the Board and its committees<sup>1</sup>.

<sup>1</sup> In the new structure, the Executives are invited to attend Board and Committee meetings.

## THE ACCOUNTING AUTHORITY/THE BOARD

### Introduction

The PFMA recognises the SAQA Board as SAQA's accounting authority. The Board constitutes a fundamental base for applying corporate governance principles at SAQA. In terms of King IV and the PFMA, SAQA should be led by an effective and efficient Board comprising the appropriate mix of executive and non-executive directors representing the necessary skills and knowledge to strategically guide SAQA. Most members should be non-executives to ensure independence and objectivity in decision-making. The Board is responsible for SAQA's performance and is fully accountable to the Executive Authority for such performance. The Board should also give strategic direction to SAQA.

Attendance of Board meetings by members of the Board and their respective appointments to Board committees were as follows:

Name	Qualifications	Area of Expertise	Board Directorships (current)	Other Committees or Task Teams
Prof Peliwe Lolwana Chairperson Appointed: 01 January 2021	PhD (Psychology) from the University of Massachusetts, Amherst, USA  Master of Arts (Psychology) from the University of Massachusetts Amherst, USA  Bachelor of Arts Hons (Psychology) from the University of Transkei, South Africa  Senior Secondary Teacher's Certificate from Lovedale Teacher's College, South Africa	Psychology Education Specialist	2013 – to date: Chaired the East Cape Midlands Technical and Vocational College  2020-to-date: Council member at Tshwane University of Technology  2020-to-date: Member of the PILO (Improving Learning Outcomes) Board  2014-to-date: Member of Hotazel Manganese Mines Education Trust  2017-to-date: Member of the Conservation South Africa Board  Appointed SAQA Board Chairperson	SAQA Executive Committee
Ms Jo-Ann Christine Agulhas Board member Appointed: 01 January 2021	Bachelor of Commerce from Rhodes University  Higher Diploma in Education from Rhodes University	Education Specialist	Member of Management Board of SETA and other Financial Services (FASSET)  Appointed SAQA Board Member	SAQA Executive Committee; Chairperson of the SAQA Professional Bodies Committee

Name	Qualifications	Area of Expertise	Board Directorships (current)	Other Committees or Task Teams
Dr Linda Meyer Board member 01 January 2021	<p>Doctor of Philosophy (RSA), Doctor of Business Administration (USA)</p> <p>Masters of Business Administration (UK)</p> <p>Post Graduate Diploma in Management Studies (UK)</p> <p>Bachelor of Commerce (Law)</p> <p>Bachelor of Business Administration</p> <p>Diplomas and Higher Certificates in the fields of Occupationally Directed Education and Training</p> <p>Development Practice, Labour Relations, Human Resource</p> <p>Management, Human Resource Development, Labour Law</p>	<p>Strategic Management</p> <p>Operations &amp; Project Management</p> <p>Talent Management</p> <p>Business Analysis, Design &amp; Improvements</p> <p>Negotiation &amp; Mediation</p> <p>Higher Education Management</p> <p>Communication, Presentation &amp; Facilitation Skills</p> <p>Financial &amp; Risk Management</p> <p>Organisational Transformation &amp; Change Management</p> <p>Performance Monitoring &amp; Evaluation</p> <p>Governance &amp; Enterprise Risk Management</p>	<p>2021-2025: Appointed to the Board of the South African Qualifications Authority (SAQA)</p> <p>2020-2023: Appointed board member of the Higher Education &amp; Training Chamber of the ETDP SETA</p> <p>Pension Fund Trustee, NGO Board Member and Chief Negotiator in the Transnet Bargaining Council (Aviation Sector).</p> <p>Member of various boards and board standing sub- committees, including HRM, Finance, Audit &amp; Risk, ISM, Bid Adjudication and Strategy Committees.</p> <p>Former member of the DoJ &amp; CD Department of Justice Audit Committee</p>	<p>SAQA Audit and Risk Committee</p> <p>SAQA Information and Information Technology</p> <p>Member of the QCTO-Occupational Qualifications, Assessment and Certification Committee (OQACC),</p> <p>Member of the Higher Health Technical Task Team (TTT) on Gender-Based Violence</p> <p>Member of DHET Future Professors Programme (FPP);</p> <p>National Advisory Board and the DHET Coordinating Committee for Mutual Recognition of Qualifications;</p> <p>South African National Resource Centre for the First-Year Experience;</p> <p>Students in Transition (SANRC) Advisory Board; and the ETDP SETA (HE - Chamber) Board</p>
Mr Bonisile McLaren Gantile Board member 01 January 2021	<p>Bachelor of Commerce degree from the University of South Africa</p> <p>Master of Science degree from the Da Vinci Institute for Technology Management.</p>	Education Specialist	Active Board and EXCO member of the Southern African Society for Cooperative Education (SASCE)	<p>SAQA Professional Bodies Committee</p> <p>SAQA National and Foreign Qualifications Appeals Committee</p>
Dr Thabo Shadrack Mashongoane Board member Appointed: 01 January 2021	He holds diploma certificates, higher diploma, degrees, master's and doctoral degree in qualifications ranging from educational management, human resources, business management, business administration, teaching and technical fields. His latest qualification is a Post Graduate Diploma in monitoring and evaluation.	Education Specialist	<p>Quality Council for Occupations and Trades (QCTO) Council</p> <p>Southern African Society for Cooperative Education (SASCE)</p> <p>the Public Service Trainers' Forum (PSTF) and other councils</p> <p>Appointed SAQA Board Member</p>	SAQA Professional Bodies Committee (Resigned 6 December 2021)

Name	Qualifications	Area of Expertise	Board Directorships (current)	Other Committees or Task Teams
Mr Mark Mamello Mafisa Board member Appointed: 01 January 2021	BSc Computer Science degree from the University of Cape Town  PDBA from GIBS  Leadership Development and  MBA from Wits Business School	Information Technology Specialist	Appointed SAQA Board Member	SAQA Executive Committee  SAQA Information and Information Technology  2017-to-date: University Research Committee, University of Witwatersrand, 2017-Date  Transformation and Employment Equity Committee, University of Witwatersrand  2018 - date: Research Committee, University of Witwatersrand
Ms Anne Kathleen Oberholzer Member of 6 <sup>th</sup> SAQA Board Re-appointed to 7 <sup>th</sup> Board on 01 January 2021	Master of Education from the University of Natal.	Educational Assessment Specialist	7 <sup>th</sup> Board member	Chairperson of SAQA Foreign Qualifications & National and Foreign Qualifications Appeals Committee  Board member of Independent Examinations Board (IEB)  Board member of Independent Quality Assurance Agency (IQAA)  Executive Secretary for the Board of Trustees of the International Association for Educational Assessment (IAEA)
Mr Ashley Olif Benjamin Member of 6 <sup>th</sup> SAQA Board Re-appointed to 7 <sup>th</sup> Board on 01 January 2021	Labour Law Certificate from University of the Western Cape  Management Development Programme from University of the Western Cape  Certification Programme in Managing the Employment Processes from University of South Africa  Programme in Human Resource Management University of South Africa	Management Development Specialist	2006-to-date: Management Committee Delegate of the Leather Industry Bargaining Council of South Africa  Director of Nilaflex Pty Ltd, a wholly-owned company of the Labour Job Creation Trust  2013-to-date: Director on the Board of Proudly South Africa (PSA)  2017-to-date: Board Member of the National Skills Authority (NSA)  Appointed SAQA Board Member	SAQA Audit and Risk Committee

Name	Qualifications	Area of Expertise	Board Directorships (current)	Other Committees or Task Teams
Mr Gordon Choaro Louw Member of 6 <sup>th</sup> SAQA Board Re-appointed to 7 <sup>th</sup> Board on 01 January 2021	Part N5 Electrical Engineering from the Northern Cape Technical College	Labour Union Specialist	The Mining Industries Engineering Trades Training Board (MIETTB – now incorporated into the MQA) on behalf of NUM  National Training Board (NTB – now the National Skills Authority – NSA) on behalf of COSATU  ESETA Chairman of the Board  Appointed SAQA Board Member	7 <sup>th</sup> Board Committees:  SAQA NQF Qualifications; Chairperson of SAQA Professional Body Appeals Committee  Quality Assurance Committee Member  Accreditation Sub-Committee
Dr Mafu Rakometsi Member of 6 <sup>th</sup> SAQA Board  Re-appointed to 7 <sup>th</sup> Board on 01 January 2021 by virtue of his position as CEO of Umalusi	Bachelor of Arts from University of the North  Bachelor of Arts Honours (History) from University of the North  Master of Arts (History) from the University of Natal- Pietermaritzburg  Management Development Programme from University of the Free State  Doctor of Philosophy (PhD) from University of the Free State	Basic Education specialist	SAQA Board Member  Member of the Councils of the 3 QCs	
Mr Vijayen Naidoo Member of 6 <sup>th</sup> SAQA Board Re-appointed to 7 <sup>th</sup> Board on 01 January 2021 by virtue of his position as CEO of the QCTO	Baccalaureus Paedagogiae In Science  University of Durban-Westville  Bachelor Of Education (Endorsement: Educational Management) Unisa  National “N” Diploma (Mechanical) - Department of National Education  Current Studies: Masters In Education - Real Centre at Wits University.	Education Specialists	SAQA Board Member  Member of the Councils of the 3 QCs and NSA	SAQA Professional Body Appeals Committee

Name	Qualifications	Area of Expertise	Board Directorships (current)	Other Committees or Task Teams
Dr Whitfield Green Appointed to 7 <sup>th</sup> Board on 01 January 2021 by virtue of his position as CEO of CHE	Higher Diploma in Education from the University of Natal/KwaZulu- Natal  Bachelor of Science from the University of Natal/KwaZulu-Natal  Bachelor of Education Honours from the University of Natal/KwaZulu-Natal  Master of Education from the University of Natal/KwaZulu-Natal  PhD from the University of Stellenbosch	Education Specialist	Appointed SAQA Board Member  Member of Councils of the 3 QCs	
Dr Julie Reddy Appointed to the 7 <sup>th</sup> Board on 01 January 2021 by virtue of her position as SAQA CEO	Master of Science as a Fulbright Scholar  PhD from Cornell University	Education Specialist	SAQA Board Member	7 <sup>th</sup> Board Committees: Information and Information Technology Chairperson, NQF Qualifications; Professional Bodies, EXCO, National and Foreign Qualification Appeals, Professional Body Appeals
Dr James Keevy Deputy Chairperson Appointed on the 7 <sup>th</sup> Board on 04 October 2021.	2005: Doctorate in Education. Focusing on the improvement of NQF development and implementation in South Africa.  • 1999: Certificate for Distance Education Practitioners - University of South Africa.  • 1998: Master's in Education (Curriculum Studies).  • 1995: Bachelor in Education (Subject Didactics) - University of Pretoria.  • 1994: Higher Diploma in Education (Postgraduate - University of Pretoria).  • 1993: Bachelor in Science Honours (Theoretical Physics) - University of Pretoria.  • 1992: Bachelor in Science (Physics and Mathematics) - University of Pretoria.	Education Specialist	Executive Director and CEO: JET Education Services  Non-executive director: National Association of Social Change Entities (NASCEE)  SAQA Board member  2020 to date: Member of the Education Sector Committee of the South African Commission for UNESCO.  2019 to date: Advisory Board member, Investors in People South Africa.  2019 to date: Centre for Educational Testing for Access and Placement (CETAP) Advisory Board.	SAQA Executive Committee  Chairperson of the SAQA NQF Qualifications Committee  2021 to date: Member of the Task Force to develop the Digital Education Strategy for Africa.  2020 to date: Member of the UNESCO Education Sector Committee South Africa.  2018 to 2022. Umalusi Research Forum.

Name	Qualifications	Area of Expertise	Board Directorships (current)	Other Committees or Task Teams
Ms Nadia Starr Member of the 6 <sup>th</sup> SAQA Board. Re-appointed to 7 <sup>th</sup> Board on 01 January 2021 Resigned on 31 August 2021	Master of Education from the University of the Witwatersrand  Bachelor of Social Sciences (Honours) from University of Cape Town  Bachelor of Social Sciences from University of Cape Town	Education Specialist	SAQA Board Member	SAQA Executive Committee; Chairperson of SAQA NQF Qualifications Committee (resigned in August 2021) Working Group Member for review of the Financial Sector Codes (sector-specific codes against BBBEE Codes)
Ms Trudi van Wyk Board member Appointed: 01 January 2021	Bachelor of Science in Mathematics and Chemistry  Bachelor of Education in Clinical Pedagogy/ Psychology of Education  Master of Education in Educational Management  Post Graduate Higher Education Diploma with specialisation in Remedial Education/ Special Needs Education  Further Diploma in Education in Technical Subjects: Civil Engineering  Presidential Strategic Leadership Development Programme (NQF Level 7)	Education and Training Specialist	Appointed as SAQA and QCTO Board Member	SAQA Information and Information Technology Chairperson of the Intergovernmental Meeting of Experts on the Draft Recommendation concerning Open Educational Resources (OER)



Name	Qualifications	Area of Expertise	Board Directorships (current)	Other Committees or Task Teams
Ms Precious Sibiya Board member Appointed: 4 October 2021	<p>Advanced short Course in Business Rescue Practice (UNISA)</p> <p>Registered as a Business Rescue Practitioner with CIPC</p> <p>Registered as a Chartered Accountant (South Africa)</p> <p>Postgraduate Diploma in Accounting (CTA)</p> <p>University of Durban Westville (now UKZN)</p> <p>Bachelor of Accountancy University of Durban Westville (now UKZN)</p>		<p>AWCA Investment Holding: Non-Executive Director</p> <p>Reef Tankers (Pty) Ltd: Non-Executive Director</p> <p>Sentech SOC: Non-Executive Director</p> <p>Ithala Development Finance Corporation: Non-Executive Director</p> <p>Air Services Licencing Council: Council member</p> <p>SAQA Board member</p>	<p>Sentech: Audit and Risk Committee member Investment Committee member</p> <p>Chairperson of Technology, Sales, Regulatory Committee</p> <p>Financial Intelligence Centre: Audit and Risk Committee member</p> <p>Ithala Development Finance Corporation: Chairperson of Audit and Risk Committee</p> <p>ICT Governance Committee member</p> <p>Remuneration Committee member</p>

## COMMITTEES

Committee	No. of meetings held	No. of members	Name of members
Executive Committee	4	5	
			Prof. P Lolwana (EXCO Chairperson)
			Dr J Keevy (Deputy Chairperson)
			Dr J Reddy (CEO)
			Mr M Mafisa
Ms J Agulhas			
Audit and Risk Committee	4	7	
			Mr A. Benjamin
			Mr L. Koyana (Chairperson)
			Mr S. Maharaj
			Dr L. Meyer
			Mr Z. Mheyamwa
			Ms T. Mkhize
Mr O. Mokgoantle			
Information and Information Technology	4	6	
			Ms S. Daya
			Mr M. Mafisa (Chairperson)
			Dr L. Meyer
			Mr O. Mokgoantle
			Ms T. Van Wyk
Dr J. Reddy (resigned on 18 March 2022)			

Committee	No. of meetings held	No. of members	Name of members
Management Risk Committee	4	13	
			Dr H. Bolton
			Ms N. Damane
			Ms P. Flanagan
			Adv P. Matinyenya
			Dr L. Matsau
			Mr W Radu (resigned from SAQA in December 2021)
			Ms N. Naidoo (Chairperson)
			Mr J. Nel
			Ms S. Netili
			Mr J. Ntsioa
			Dr J. Reddy
			Ms N. Starr
			Mr N. Vasudev
			Ms V. Mabwe (Nexia - SABT) – attends meetings by invitation
			Mr P. Mawire (Nexia - SABT) – attends meetings by invitation

## REMUNERATION OF BOARD MEMBERS

Name	Remuneration	Other allowance	Other re-imbursements	Total
Prof P. Lolwana (Chairperson)	R391, 985.12		R2, 580.08	R394, 565.20
Ms J. Agulhas	R69, 209.00		R1, 987.60	R71, 196.60
Mr A. Benjamin	R29, 352.00		R100.00	R29, 452.00
Mr B. Gantile	R51,366.00		R2, 150.00	R53, 516.00
Ms P. Sibiyi	R3, 669.00		R100.00	R3, 769.00
Dr J. Keevy	R22, 991.00		R400.00	R23, 391.00
Mr G. Louw	R48, 674.00		R5, 847.20	R54, 521.20
Mr M. Mafisa	R59, 917.00		R1, 543.80	R61, 460.80

# RISK MANAGEMENT

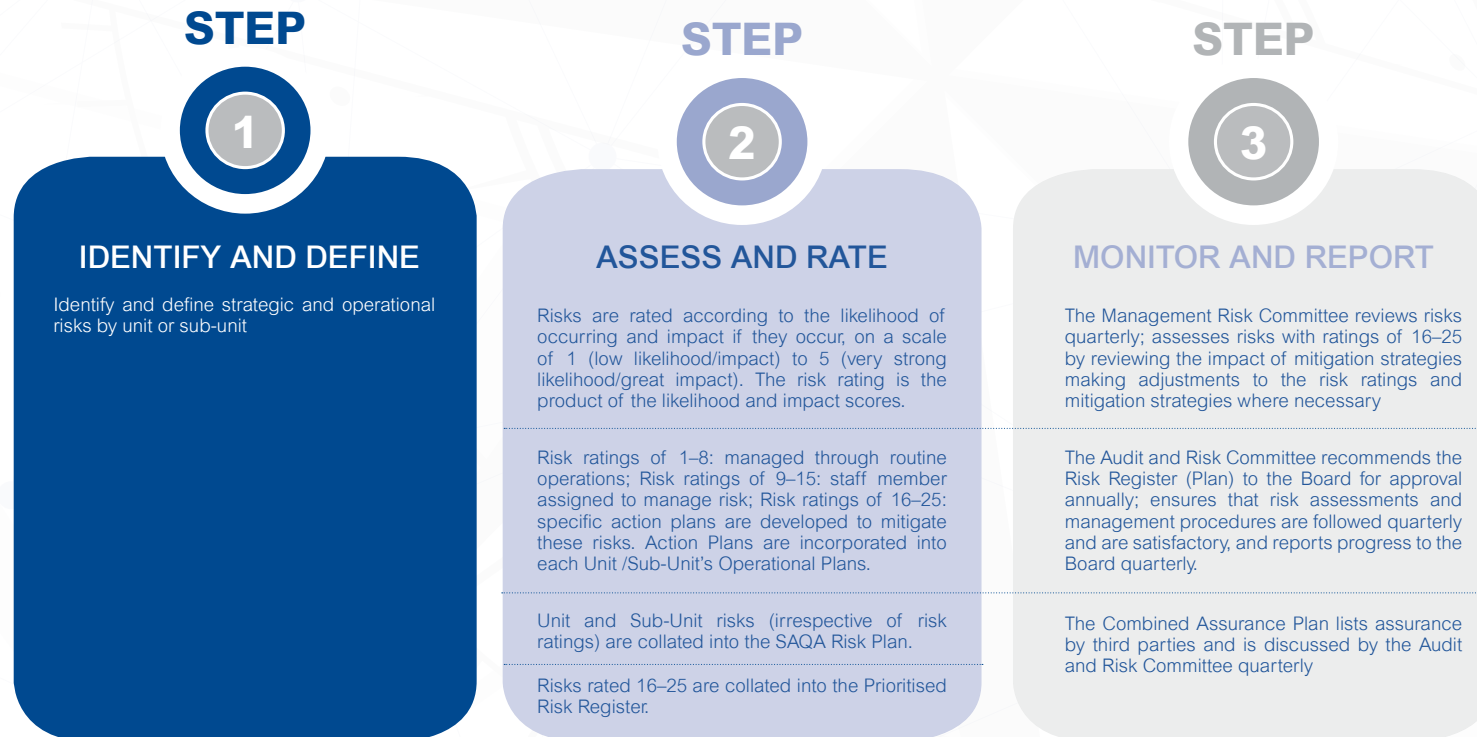
Risk is managed on three distinct levels at SAQA: line managers at the operational level, oversight by the governance structures, and assurance by third parties. The right structures are in place to identify, monitor and manage risks effectively. By actively managing risk mitigation plans and implementing mitigation strategies, SAQA succeeded in decreasing the risk profile of selected risks and achieved 85% of its targets for the year.

## KEY DEVELOPMENTS

SAQA's risk mitigation plans for 2021/22 were categorised as follows:

Risk Management Plan: the Board is mandated to develop a detailed Risk Management Plan annually, both in the execution of its fiduciary duties and in compliance with sections 50(a) and 51(c) of the PFMA. The Plan includes strategies to mitigate identified risks. The Risk Management Plan includes identified strategic and operational risks and is structured per unit or sub-unit.

Overview of the Risk Management Plan



The major risks associated with SAQA achieving its mandate over the last financial year are described below.

## REPUTATIONAL RISKS

Members of the public and professional bodies are unhappy with decisions taken by SAQA, the QCs or other educational institutions about matters relating to education and training.

SAQA received numerous complaints from professional bodies. Some complaints had the potential to result in litigation and had to therefore be managed delicately.

Due to staff retrenchments, SAQA faced litigation from a labour union representing thirty-four (34) retrenched staff. This case can potentially cause reputational damage and threaten SAQA's financial sustainability if the court rules favour of the labour union.

The decrease in staff complement negatively impacted SAQA's ability to deliver services, especially in the Authentication Services unit. This unit decreased its staff complement from almost one hundred (100) to seventeen (17) positions. As a result, SAQA could not meet its turnaround times for processing applications for national verification and foreign evaluation, resulting in loss of revenue, increased complaints and reputational damage. Furthermore, SAQA's social media platforms were inundated with complaints about delays and backlogs in service delivery. As a result, SAQA's social media campaigns did not have their desired effect. Despite bringing in independent contractors and interns into Authentication Services, SAQA is still trying to address the backlogs in service delivery.

SAQA has started automating its processes, especially in the Authentication Services unit, and hopes to improve its efficiency in delivering services by the end of the next financial year. In the meanwhile, SAQA will continue to make use of independent contractors (predominantly retrenched staff) to assist with addressing its service delivery challenges.

### People

Eighty-nine (89) staff members were retrenched when the organisation was re-structured. The restructuring resulted in serious service delivery challenges, particularly in the Authentication Services unit. To mitigate this risk, we employ independent contractors to deal with the backlogs.

### Financial sustainability

Due to the lockdown, SAQA could not generate sufficient revenue through its verification and evaluation services. This has severely hampered SAQA's ability to remain sustainable. The restructure and consequential staff retrenchments have made it difficult to meet service delivery demands. The new structure, though not optimal, was designed on the understanding that many processes would be automated. The Automation Project began in January 2022 and is expected to be completed by March 2024.

SAQA is looking for alternate revenue streams to allow it to perform its mandated functions. In addition, SAQA is also looking at attracting funding for specific projects to further enhance the NQF. One such project was to attract funding from World Education Services (WES) to conduct a pilot project to recognise the qualifications of refugees and asylum seekers.

The sale of SAQA House and moving to a smaller, more manageable building are expected to bring about cost savings in the next financial year, thus contributing to SAQA's financial sustainability.

## INTERNAL CONTROL UNIT

### INTERNAL AUDIT AND AUDIT COMMITTEE

SAQA outsources its internal audit function due to the nature and size of its staff complement. The current internal auditors are Nexia-SAB&T, and the Audit and Risk Committee reviewed their audit reports.

The table below discloses relevant information on the audit committee members

There are no staff members on the Audit and Risk Committee. All members are independent experts. At least two members are SAQA Board members, but the Chairperson is not a Board member. Selected staff members are requested to attend meetings.

Name	Qualifications	No. of Meetings attended
Mr A. Benjamin SAQA Board member Appointed: 26 July 2019- 31 December 2023	a) Labour Law Certificate from University of the Western Cape b) Management Development Programme from University of the Western Cape c) Certification Programme in Managing the Employment Process from University of South Africa d) Programme in Human Resource Management University of South Africa	4/4
Mr L. Koyana Chairperson Appointed: 28 July 2016 - 31 July 2022	B COM Accounting: University of South Africa (1988) B Compt (Hons) with CTA : University Of Transkei/ Walter Sisulu University  Completed three years Articles of Clerkship (1988 – 1991) Final Qualifying Examination (FQE) for Chartered Accountants (SA)	4/4
Mr S. Maharaj Appointed: 5 March 2021- 31 December 2023	Executive Finance Management Course: Wits Business School (2017) Fellow Member of the Institute of Directors Southern Africa (2016) Green Belt Digital Six Sigma Certified (2006) CA (SA): South African Institute of Chartered Accountants (1998) Hons BCompt Degree: University of South Africa (1994) BCom Degree: University of Natal (1992) Matric: Effingham Secondary School (1989)	4/4

Name	Qualifications	No. of Meetings attended
Dr L. Meyer SAQA Board member Appointed: 5 March 2021 – 31 December 2023	Doctor of Philosophy (RSA) Doctor of Business Administration (USA) Masters of Business Administration (UK) Post Graduate Diploma in Management Studies (UK) Bachelor of Commerce (Law) (RSA) Bachelor of Business Administration (USA) Diplomas and Higher Certificates in the fields of Occupationally Directed Education and Training Development Practice, Labour Relations, Human Resource Management, Human Resource Development, and Labour Law.	3/4
Mr Z. Mheyamwa Appointed: 5 March 2021 – 31 December 2023	MBA, Edinburgh Business School – (April 2015) Postgraduate Diploma in Business Studies- (Edinburgh Business School-October 2014) Chartered Accountant - SAICA member #30656063 (Qualified in 2008, converted to SAICA 2012). Articles were discharged in 2008 and accepted. Member – Institute of Risk Management of South Africa. Bcompt Accounting (undergrad) - 2006 & Bcompt Honours (postgrad) in Accounting 2007- UNISA. Programme in Advanced Marketing Management- UNISA (2010) Certificate in strategic planning and formulation-UNISA (2012)	4/4
Ms T. Mkhize Appointed: 5 March 2021 – 31 December 2023	Chartered Accountant South Africa CA (SA) (2010) South African Institute of Chartered Accountants Bachelor of Accounting Honours (2007) University of Kwa-Zulu Natal Bachelor of Accounting (2005) University of Kwa-Zulu Natal Master's in Business Administration (MBA) Milpark Business school	4/4

Name	Qualifications	No. of Meetings attended
Mr O. Mokgoantle Appointed: 5 March 2021 – 31 December 2023	University of Johannesburg (2012 – 2013) M. Com in Business Management (Specializing in Strategic Management) University of South Africa (UNISA) (2009 – 2009) Certificate in Professional Practices Framework for Internal Auditors Plumb-Online (2007 – 2007) Masters in Financial Markets University of the Witwatersrand (Wits) (2005 – 2006) Higher Diploma in Computer Auditing University of South Africa (UNISA) (2006 – 2006) Certificate in Project Management National Circulation in association with EY (2006 – 2006) Governance, Risk and Ethics University of South Africa (UNISA) (2001 – 2002) Post-graduate Certificate in Advanced Taxation University of Natal (KZN) (2001 – 2002) B.Com (Accounting) Honours Degree University of the Western Cape (1993 – 1996) B.Com (Accounting) Degree University of South Africa (UNISA) (1992 – 1992) B. Compt Degree	3/4



## COMPLIANCE WITH LAWS AND REGULATIONS

SAQA has a legislative checklist which lists all legislation that SAQA must comply with. This checklist is reviewed and approved by the Board annually. Each Unit/Sub-unit signs off on the legislative checklist at the end of each financial year to show that they complied with the relevant legislation listed under their Unit/Sub-unit. The major focus for SAQA in the 2021/22 financial year was compliance with the Protection of Personal Information Act, 2013 (Act No.4 of 2013 (POPIA)). The SAQA Board approved SAQA's policy on POPIA, and an implementation plan and register were developed. SAQA further registered its information officer with the Information Regulator. It also updated its PAIA Manual, translated it into two official languages, and published these on the SAQA website. SAQA has three deputy information officers and six POPIA champions who oversee the implementation of its policy and ensure compliance. The POPIA champions update the implementation plan/register every quarter and the deputy information officers and relevant managers quality assurance the information to ensure ongoing compliance with POPIA.

## FRAUD AND CORRUPTION

SAQA maintained its internal policies on fraud prevention and detection and fraud reporting during the year. These policies, inter alia, make allowance for whistle-blowing and anonymous reporting. The CEO must report all fraud and corruption cases to the Board. SAQA did not have any cases of fraud reported during the financial year.

## MINIMISING CONFLICT OF INTEREST

SAQA has a multi-level system for the approval for all procurement, removing bias and preventing any system manipulation. The Executive Committee approves purchases above R3 million, and internal processes are followed for amounts below.

SAQA aligns with the King IV Code on Good Corporate Governance. All adjudicators of tenders, and members of the Board and its committees, are requested to declare conflicts of interest at the start of each board and committee meeting or tender process. Members must recuse themselves from discussions and decisions on items they have declared conflicts of interest.

## CODE OF CONDUCT

Good corporate governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes. As an organisation that facilitates an effective public service for improved social outcomes, SAQA recognises the importance of good corporate governance, especially for the public sector. SAQA also recognises the importance of setting the right tone at the top and has adopted the SAQA Code of Ethics and Values, which it strives to live by daily. The SAQA Code of Ethics forms part of the Governance Manual, which is updated annually. The Governance Manual ensures that all members of the Board and its committees and SAQA staff members have easy access to the Board's Rules of Procedure, Terms of Reference of Committees, the Code of Ethics and Values, and other relevant governance matters. Board and Committee members signed the Code of Conduct at their first meeting. Staff members are required to pledge to uphold the Code of Ethics when they join SAQA. During the year, SAQA continued to actively manage the quality and standards of the service provided by its staff.

## HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

In line with Section 2.6.3 of Circular 7 of 2020 issued by the Department of Public Service and Administration (DPSA) in March 2020, SAQA established a COVID-19 Steering Committee to deal with all issues concerning the COVID-19 pandemic at SAQA. The COVID-19 Steering Committee played an important role in developing guidelines and action plans that dealt with the management of COVID-19 to provide and maintain a healthy workplace for SAQA employees.

Some of the activities of the COVID-19 Steering committee included:

- Providing regular updates and direction to SAQA employees on all COVID-19-related matters.
- Conducting regular risk assessments at the workplace at different stages of the COVID-19 pandemic.
- Implementation of the COVID-19 planning guidelines, which focused on the need to implement engineering, administrative, and work practice controls and personal protective equipment (PPE) to ensure the workplace is made safe for employees to return to work.
- Providing recommendations to Executive Management on SAQA's readiness to implement the return to the employees' office.
- Providing input into the development of a Mandatory COVID-19 Vaccination policy at SAQA

The following people management policies were updated to reflect the COVID-19 realities:

Policy on conditions of service - An annexure was added to this policy to include guidelines

for working from home for SAQA employees.

Policy on employee wellness – Salient provisions on notifiable medical conditions were incorporated into the Wellness Policy.

## SOCIAL RESPONSIBILITY

As part of its alignment to the King IV Code on Good Corporate Governance, SAQA takes its corporate social responsibility seriously. Covid-19 and the national lockdown in the last two years precipitated a greater need for digital devices for the country's education institutions and learners. After its restructure, SAQA initiated a Corporate and Social initiative to donate excess furniture, IT equipment and collateral items to eight underprivileged schools in the Gauteng region. The beneficiary schools were Nwawangani Primary School in Mamelodi East, Philena Primary School in Olivenhoutbosch, Holy Trinity Secondary School in Atteridgeville, Polokegong Primary School in Vosloorus, Molefe Mooke Primary School in Hamanskraal, Baxoxele Full-Service School in Soshanguve, Uthando Primary School in Soshanguve and, Vlakfontein Secondary School in Mamelodi West.



Figure 4: The Nwawangani Primary School teacher and learners

Figure 5: The Philena Primary School teachers and

Figure 6: The Uthando Primary School teacher

## STAKEHOLDER INTERACTIONS

SAQA engaged with different stakeholder groups during the year.

The SAQA Board was appointed in January 2021. The new Board wishes to chart a new way forward for SAQA. This entails unpacking the NQF and SAQA's current mandate, looking at what the sector and learners need and re-positioning SAQA for the future. The Board Chairperson hosted two external and one internal workshop to consider these issues.

**FIRST CONSULTATIVE WORKSHOP, JUNE 2021**

In June and August 2021, the SAQA Board Chairperson, Professor Peliwe Lolwana, held two half-day consultative workshops. It was attended by representatives of the Quality Councils, DHET, DBE, professional bodies and invited specialists as well as SAQA's leadership and managers. The purpose of the workshop was to reflect on SAQA's role, and to engage around the challenges faced in implementing and further developing the NQF in South Africa. Professor Lolwana sought specifically to address the questions:

- 'What Are we doing right?'
- 'What Are the areas that we should re-examine?'
- 'what should be the role of SAQA: should SAQA's role change or remain as is?'
- 'are additional NQF objectives/ principles needed, or is what we have sufficient?'

**SECOND CONSULTATIVE WORKSHOP, AUGUST 2021**

Prof Lolwana's second consultative workshop focused on the development, registration, and publication of qualifications on the NQF and the related quality assurance processes of SAQA and the three quality councils. Participants comprised officials involved in these processes, and researchers, at the entities. The following questions were addressed:

- How does the qualifications system work?
- What are the challenges/ blockages in the system?
- What are the roles of saqa and the quality councils, and what should these roles be?

Prof Lolwana noted that this workshop had presented 'an open and caring dialogue', and appreciated the constructive inputs made by the participants towards bettering the system. She noted that 'the NQF has to keep working while the issues are being addressed'. Participants agreed to engage further around the rules and tools hindering their work, and how coordination in the system can be enhanced.

**2021 NQF IMPACT STUDY**

The National Qualifications Framework (NQF) Act (No. 67 of 2008) mandates SAQA to conduct investigations on matters related to the development and implementation of the NQF and publish the findings of such investigations. SAQA is finalising the report on the 2021 NQF Impact Study, the fourth of such studies since the proclamation of the NQF Act, 2008, as amended.

The study aims to assess the implementation and reported impact of the national RPL and Credit Accumulation and Transfer (CAT) Policies and other elements of system flexibility. The findings from this research will deepen the understanding of the enablers, barriers and benefits associated with these national policies and related initiatives. They will inform further policy development and implementation.

SAQA has conducted three NQF impact studies since the proclamation of the NQF Act. The first, in 2010, focused on the emerging impact of the then-recently proclaimed NQF Act, on the work of SAQA and the Quality Councils. The second (SAQA, 2017), focused on the impact of the NQF objectives on the system. The third NQF impact study (SAQA, 2019), comprised six sub-projects that considered, amongst others:

- (1) alignment between SAQA policies for the Recognition of Prior Learning (RPL), Credit Accumulation and Transfer (CAT), and Assessment, with those of the Quality Councils, as a proxy for impact, and
- (2) the impact of the Quality Council policies for RPL and CAT on aspects of the higher education system and assessment bodies in general education

**WORK WITH NQF PARTNERS****(i) Unfurling PSET (UPSET) Initiative**

The Unfurling PSET (UPSET) initiative, which strengthens flexible learning-and-work pathways in post-school education and training (PSET) in South Africa, builds on the articulation research and development work of the past twelve years. It is a significant national initiative led by SAQA's articulation research partner, the Durban University of Technology (DUT), funded through the DHET's University Capacity Development Programme (UCDP) and co-led by SAQA. It comprises:

- Nine provincial/ regional articulation hubs;
- An Articulation Implementation Plan (AIP) per Hub;
- Joint Higher Education Institution (HEI)-TVET college development and offering of qualifications that are embedded in learning-and work pathways;
- Tracking transitioning TVET learners; and
- Documenting successful practices.

The Articulation Implementation Plans of the first four hubs were submitted to the DHET in March 2022, and planning for the launches of these hubs is at an advanced stage.

**(ii) HERESA Initiative****Background**

The Higher Education Reform Experts South Africa (HERESA) project is a collaborative multi-country, a multi-partner initiative with OBREAL Global-Observatory (Spain) with guidance and coordination by Technology Higher Education Network South Africa (THENSA). It is an example of the development of a virtual community for technological advancement in education and training in the context of the 4IR.

Higher Education Reform Experts (HERE) networks comprise experts who ensure the take-up of the Bologna Process<sup>2</sup> learning-and-work pathways, CAT systems and learning outcomes-based approaches. The HERESA initiative focuses specifically on:

- Developing entrepreneurship education;
- Work-Integrated Learning (WIL);
- Competency-based learning and teaching (CBLT);
- Competences for the 4IR; and
- Leadership in all of these contexts.

<sup>2</sup> The Bologna process comprises Ministerial meetings and agreements within and between European and other countries to ensure the quality, comparability and portability of higher education qualifications.

The HERESA initiative establishes HERE in South Africa and works with the HERE in Europe, amongst others, to:

- empower South African technology-oriented higher education institutions to develop and implement strategic plans in the focus areas,
- consolidate a sustainable network of HERE in South Africa as agents for change in the focus areas; and
- develop higher education reform capacity in the HERESA network through mutual knowledge and practice-sharing activities.

HERESA is a sustainable 'legacy project' for future expansion.

SAQA's role includes leading and participating in the projects' collaborative networks, information-sharing, and above all, integrating the knowledge gained into NQF policy, as well as ensuring the integration of NQF policy into the initiative.

## INTERNATIONAL AND CONTINENTAL INITIATIVES

### Refugee Pilot Project

According to the United Nations High Commissioner for Refugees, Sub-Saharan Africa hosts more than 26% of the world's refugees. This number has soared over the years. A significant number of individuals seeking SAQA's foreign evaluation services are refugees and those who have been forcibly displaced. They often face challenges in meeting SAQA's application criteria to have their qualifications assessed for recognition. The World Education Service (WES) collaborates with SAQA to develop an initiative in line with its model for recognising the qualifications of refugees and asylum seekers, especially those with incomplete or partial documentation.

In November 2021, SAQA and WES signed a partnership agreement to initiate a pilot project ensuring a special dispensation for the recognition of qualifications of eligible refugees and asylum seekers in South Africa.

SAQA is working with Scalabrini, a local NGO based in Cape Town, on a pilot project launched in three provinces for one year. The pilot will test the methodology and process employed for this special dispensation.

This pilot initiative is aligned with SAQA's implementation of the Addis Convention.

## INITIATIVES ON 4IR

### 4IR Bulletin and Webinar

SAQA continues to deepen and expand its understanding of the Fourth Industrial Revolution (4IR) and its implications for the South African National Qualifications Framework (NQF) and the broader education and training landscape in South Africa. As the custodian of the NQF and responsible for its further development and implementation, SAQA's commitment resonates with its overarching vision, which is to have a world-class NQF that works for the people in South Africa. A SAQA Bulletin that focused on The NQF and 4IR was a key step towards engaging with good practices and innovations in education, training, and the workplace. The Bulletin is available on SAQA's website [www.saqa.org.za](http://www.saqa.org.za).

To spread the knowledge and insights from the Bulletin, SAQA held a webinar on 22 November 2021. Authors had an opportunity to discuss their papers, and a robust engagement ensued with invited stakeholders. SAQA also sponsored a session entitled "Curriculum and Innovation for the 4IR" at a Technological Higher Education Network of South Africa (THENSA) conference in March 2022, during which some Bulletin papers were presented and discussed. SAQA will continue to share with education and training stakeholders new knowledge, good practice, and innovations that are responsive to the needs of society and the economy.

### Social Media Outreach

In addition to the stakeholder engagements outlined above, SAQA aims to reach the public through social media interactions. To advance the objectives of the NQF, SAQA must inform the public about the NQF. In the year under review, members of the public made a total of 2 242 471 impressions on SAQA's social media platforms. SAQA uses these platforms to educate the public about the NQF and SAQA's service offerings. SAQA placed social media messaging focusing Youth Month, where a series of short messages and graphics explained what SAQA and the NQF are to the general public. The AIR2020\_21 campaign highlighted the many challenges faced by SAQA, and other organisations around the world, in 2020/21, due to the outbreak of Coronavirus, and persevering under pressure. The #SAQA25 campaign focused on SAQA's achievements over the 25 years, such as strengthening its relationships with counterparts in the SADC region and globally to grow its international footprint and influence and focusing efforts for the 2020/25 Planning Cycle on streamlining and automating its processes to become more efficient in its service provision. TikTok was added to SAQA's social media bouquet, where the Naledi Isikolo Siphumile (Back to School) campaign was launched in siSwati and English. This campaign focused on registered qualifications and institutions. The siSwati video has 272 views. The English video was viewed 307 times.



## THE AUDIT AND RISK COMMITTEE REPORT Mr

Lwazi Koyana

The Audit and Risk Committee hereby presents its report for the financial year ended 31 March 2022. The Committee is satisfied with the outcome of the external audit carried out by the Auditor General on SAQA, which saw the organisation achieving another unqualified audit opinion for the 2021/22 financial year and wishes to congratulate management on this achievement.

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

### TERMS OF REFERENCE

The 7<sup>th</sup> SAQA Board constituted the current Committee in January 2021 and approved its current Terms of Reference. The Committee conducted its affairs in compliance with its 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 PFMA 1999 and Sections 3.1 and 27.1 of the Treasury Regulations issued in terms of the PFMA and further responsibilities assigned to it by the Board. The Committee elected to align to the terms of King IV Code of Corporate Governance.

#### External Auditor

In terms of the PFMA, the external auditor is the Auditor-General. The Committee agreed to

the Engagement Letter, Audit Plan and budgeted audit fees for the 2021/22 financial year. All Audit findings from the prior year's audit were cleared to the satisfaction of the Auditor General. The Auditor-General was not requested to provide any non-audit services.

#### Financial Statements and Accounting Policies and Practices

The Committee reviewed the accounting policies and practices and the organisation's financial statements and was satisfied with their appropriateness and compliance with GRAP. This included any interpretations, guidelines and directives issued by the ASB. The Committee did not receive any concerns or complaints concerning the reporting practices of the organisation.

#### 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, including internal financial controls and risk management. This written assessment formed the basis for the Committee's recommendation to the Board to fulfill its reporting requirements in the Annual Integrated Report. The Board's report on the effectiveness of the system of internal control is on page 14. The Committee fully supports the opinion of the Board in this regard.

#### Whistleblowing

The Committee noted that there were no incidents of fraud reported for the period. 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 2021/22 financial year.

## DUTIES ASSIGNED BY THE BOARD

In addition to the statutory duties of the Committee as reported above, the Board determined additional functions for the Committee to perform, as set out in the Committee's Terms of Reference. These included providing oversight over integrated reporting, assessing the organisation as a going concern, risk governance, and internal audit oversight. The Committee is also required to provide oversight on the integrity of the Strategic Plan, the Annual Performance Plan and other external reports issued by the organisation if the Accounting Authority requests.

### Integrated Reporting

The Committee fulfils an oversight role regarding the Annual Integrated Report and the reporting process.

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

According to King IV, 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 prepared by management, which included key assumptions of the going concern status of SAQA and made its recommendation to the Board. The Board's statement on the going concern status of SAQA is set out on page 111.

### 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 organisation's key risks and responses to address them. The Committee fulfilled its oversight role regarding financial reporting risks, internal financial controls, and fraud and information technology risks related to financial reporting.

### Internal Audit

The Committee satisfied itself that the Internal Audit function was independent and had the necessary resources, standing and authority to discharge its duties. Furthermore, the Committee oversaw cooperation 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.

The Internal Audit team reported to the Committee on all functional matters and to the CEO from an administrative point of view.

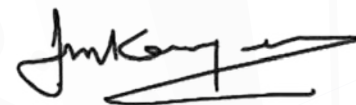
It reviewed and assured the adequacy of the internal control environment across all SAQA's operations. The Head of the Internal Audit team had direct access to the Committee through its Chairperson. The Head of the Internal Audit team attended all Committee meetings.

The Committee assessed the performance of the Internal Audit function.

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

The Committee satisfied itself that the previous Acting CFO and the current CFO, who took over the function on 1 July 2021, have appropriate expertise and experience. While the Audit Committee has satisfied itself on the appropriateness of the CFO's experience and expertise, the CFO has been suspended, pending investigation, over a matter that is not related to her performance as CFO.

The Committee has also confirmed that the Finance Division, being led by the current Chief Financial Officer, may not have been adequately capacitated during the financial period under review. Even though the business unit was not adequately resourced, the performance of the entity was not compromised.



Mr Lwazi Koyana  
Chairperson of the Audit and Committee

## B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Application of any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) listed below

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Covid lockdown restrictions and the constrained SAQA funding do not make the improvement of its B-BBEE status possible in this regard.
Developing and implementing a preferential procurement policy?	Yes	SAQA aligned its Supply Chain Management policy with the PPPFA.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not the SAQA mandate.
Developing criteria for entering into partnerships with the private sector?	No	None are required for the year.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Covid lockdown restrictions and the constrained SAQA funding did not improve its B-BBEE status during the period.



Governance, People and Strategy Team





# **PART D**

## **PEOPLE MANAGEMENT**



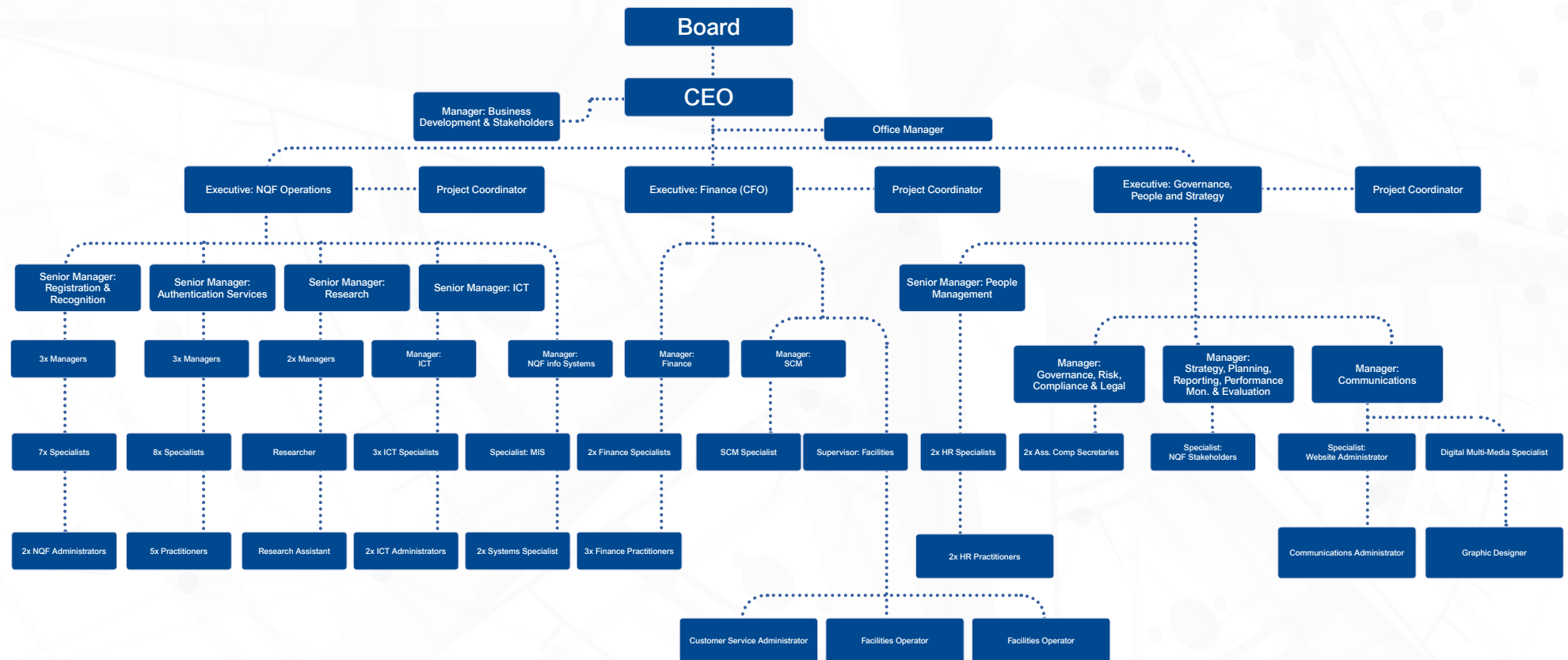
People Management Unit

# INTRODUCTION

Executing the People Management process of overseeing employee training, development, motivation, and day-to-day management was challenging in the year under review, considering that SAQA implemented the section 189A retrenchment process. This was compounded by the need to remain functional and productive during the Covid-19 pandemic. SAQA had to employ several strategies to keep staff safe, including implementing a Mandatory COVID 19 Vaccination Policy and following all prescribed legislation required by the Department of Health and our Government.

## ORGANISATIONAL REDESIGN

Below is the final Board-approved SAQA organogram showing its eighty-two (82) positions.



The new structure was implemented with seventy-one of the eighty-two positions filled internally within two months from advertisement and the remaining ten filled with external candidates. The changes also required sixteen People Management Policies to be reviewed and aligned. An external service provider was engaged to assist with the restructure and thereafter with the two-phased monitoring and evaluation process to remain fair and transparent. Change management continues together with internal monitoring and evaluation processes. The reports have been positive and show that SAQA is transforming for the better, and employees feel positive about the organisational culture. Employees have risen to the challenge of meeting the organisation's changing requirements.

An employee wellness programme supports employees. In response to a leaner structure accompanied by a shift towards automation, the Learning and Development function will continue to play a critical role in reskilling staff to ensure that they meet the future demands of the organisation.

## PEOPLE MANAGEMENT OVERSIGHT STATISTICS

### PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme/activity/objective	Total Expenditure for the entity (R)	Personnel Expenditure (R)	Personnel exp. as a % of total exp.	*No. of employees	Average personnel cost per employee (R)
Office of the CEO	4,470,101	4,409,897	98	3	1,459,965
NQF Operations	53,782,028	39,381,047	73	43	915,838
Finance and Administration	21,043,109	7,276,131	34	13	559,702
Governance, People & Strategy	11,933,342	8,595,264	72	16	537,204

\*Note: there were 75 employees and seven vacancies at the end of the financial year

### PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure (R)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R)
Top Management	5,086,438	8	4	1,271,609
Senior Management	5,984,533	10	4	1,496,133
Professional	15,230,630	26	15	1,015,372
Skilled	32,389,434	55	49	679,011
Semi-skilled	802,662	1	3	267,554
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>59,493,697</b>	<b>100</b>	<b>75</b>	<b>795,498</b>

## PERFORMANCE REWARDS

In the year under review, Performance rewards or bonuses were not awarded; however, SAQA staff were given a discretionary once-off appreciation award.

Programme/activity/objective	Performance rewards/ Appreciation Award (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (%)
Programme 1: • CEO's Office • Finance & Administration • GPS (Communications, People Management, Strategy, Reporting & M&E and Governance, Risk, Compliance and Legal)	165	24,708	0,67
Programme 2: Registration & Recognition	35	10,262	0,34
Programme 3: ICT & NQF MIS	55	10,935	0,5
Programme 4: Authentication Services	46	17,222	0,3
Programme 5: Research	49	4,664	1,05

## TRAINING COSTS

Programme/activity/objective	Personnel Expenditure (R)	Training Expenditure (R)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg training cost per employee (R)
All staff training across the units/sub-units	59,493,697	215,655	0.4	98	2,200

## EMPLOYMENT AND VACANCIES

Programme/activity/objective	2021/22 Approved Posts	2021/22 No. of Employees	2021/22 Vacancies	% of vacancies
Office of the CEO	3	3	0	0
NQF Operations	45	43	5	11.6
Finance and Administration	13	13	2	15.4
Governance, People & Strategy	16	16	0	0

	2020/21 No. of Employees	2021/22 Approved Posts	2021/22 No. of Employees	2021/22 Vacancies	% of vacancies
Top Management	1	4	4	0	0
Senior Management	7	5	4	1	20
Professional qualified	19	16	15	1	6.3
Skilled	90	54	49	5	9.3
Semi-skilled	52	3	3	0	0
Unskilled	0	0	0	0	0
<b>TOTAL</b>	<b>169</b>	<b>82</b>	<b>75</b>	<b>7</b>	<b>8.5</b>

The senior management post for Authentication Services became vacant on 1 January 2022. The position was successfully filled on 1 May 2022. The other vacancy which was hard to fill was in the ICT Unit. After two attempts to attract the right candidates, SAQA utilised the services of a specialist recruitment agency. SAQA continuously reviews and improves its conditions of service as part of its staff retention strategy.

An appreciation bonus was paid to all staff who continued to function well under difficult circumstances during the retrenchment and restructuring process. This appreciation award was not tied to performance. Each staff member qualifies for study assistance, and continuous development of skills to match what is currently required in the organisation regularly takes place.

## EMPLOYMENT CHANGES

Salary Band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top Management	1	2	0	4
Senior Management	7	0	5	4
Professional qualified	19	3	9	15
Skilled	90	6	50	49
Semi-skilled	52	0	40	3
Unskilled	0	0	0	0
<b>Total</b>	<b>169</b>	<b>11</b>	<b>104</b>	<b>75</b>

## REASONS FOR STAFF LEAVING

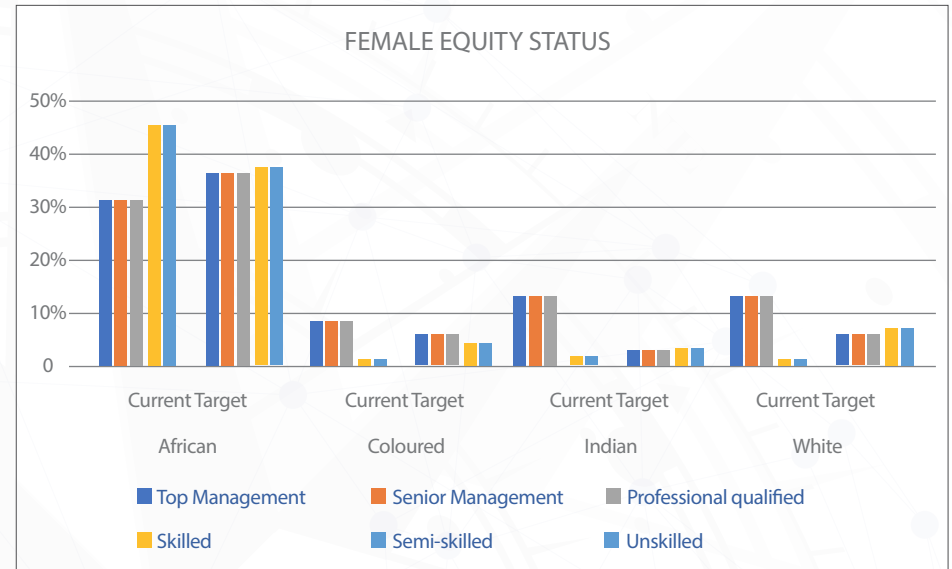
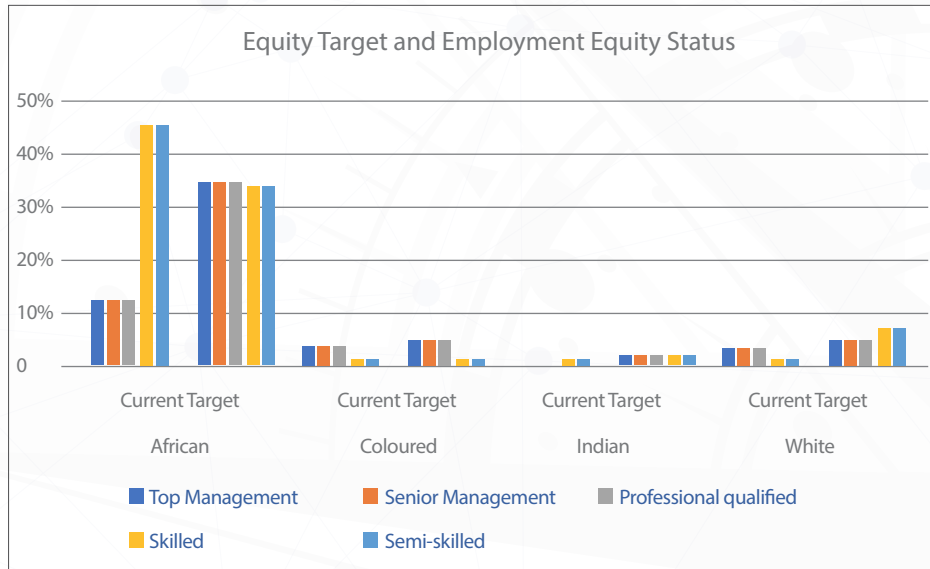
Reason	Number	% of total no. of staff leaving
Death	1	0.96
Resignation	8	7.69
Dismissal	1	0.96
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Retrenchment	94	90.38
<b>Total</b>	<b>104</b>	<b>100</b>

## LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of Disciplinary Action	Number
Verbal Warning	1
Written Warning	2
Final Written warning	0
Dismissal	1

## EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Levels	MALE (reflected in percentages [%])							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	13	35.0	4	5.3	0	2.4	4	5.3
Senior Management	13	35.0	4	5.3	0	2.4	4	5.3
Professional qualified	13	35.0	4	5.3	0	2.4	4	5.3
Skilled	46	34.1	2	2.2	2	2.4	2	7.9
Semi-skilled	46	34.1	2	2.2	2	2.4	2	7.9
Unskilled	0	0	0	0	0	0	0	0



Levels	FEMALE (reflected in percentages [%])							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	30	37.0	9	5.9	13	3	13	6.1
Senior Management	30	37.0	9	5.9	13	3	13	6.1
Professional qualified	30	37.0	9	5.9	13	3	13	6.1
Skilled	44	38	2	4.5	2	3.6	0	7.3
Semi-skilled	44	38	2	4.5	2	3.6	0	7.3
Unskilled	0	0	0	0	0	0	0	0

SAQA has a 1% target for disabled males and females across all institution levels. There is currently one disabled female employed at the organisation.

## LEARNING AND DEVELOPMENT

All SAQA employees have attended two or more learning interventions in the year under review. Ninety-eight SAQA employees were trained, and a total of 28 learning interventions were attended; these include Risk Identification and Assessment training, Introduction to Policy Formulation and Implementation. Most of these interventions took place online. A total of R 215,655.00 was spent on employee training. The planned budget for educational assistance was not spent during this period due to the Section 189A retrenchment process.

### INTERNSHIPS

SAQA did not submit a proposal for funding of interns to the ETDP SETA for 2021/22 due to the organisational redesign process. However, on 01 November 2021, SAQA welcomed two interns into its Information Communications and Technology (ICT) unit. The interns were accepted when the BANKSETA approached SAQA seeking a host organisation to provide relevant workplace experience to develop interns in a scarce skill within the field of ICT. The interns were chosen and appointed as java developer interns at SAQA for a period of five months ending 31 March 2022. Both interns have successfully completed their internship at SAQA. One intern stayed on and the other found employment elsewhere.



# **PART E**

## **FINANCIAL INFORMATION**





Finance and Administration Division

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# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN QUALIFICATIONS AUTHORITY

## Report on the Audit of the Financial Statements

### Opinion

1. I have audited the financial statements of the South African Qualifications Authority set out on pages 113 to 119, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Qualifications Authority as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for Opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Responsibilities of the Accounting Authority for the Financial Statements

6. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the 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.
7. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

## Auditor-General's Responsibilities for the Audit of the Financial Statements

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

## Report on the Audit of the Annual Performance Report

### Introduction and Scope

10. In accordance with the Public Audit Act 25 of 2004 (**PAA**) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 2 - Registration and Recognition	47- 50

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
  - Programme 2 - Registration and Recognition

### Other Matters

15. I draw attention to the matters below.

### Achievement of Planned Targets

16. Refer to the annual performance report on pages 47 to 50 for information on the achievement of planned targets for the year and management's explanations for provided the achievement of targets and management explanations provided for the under/overachievement of targets.

### Adjustment of Material Misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2 - Registration and Recognition. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## Report on the Audit of Compliance with Legislation

### Introduction and Scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. The material findings on compliance with specific matters in key legislation are as follows:

## Annual Financial Statements and Annual Report

20. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA.
21. Material misstatements of segment reporting and cash flow statement identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

## Other Information

22. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.
25. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report-as-appropriate. However, if it is corrected this will not be necessary.

## Internal Control Deficiencies

27. 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual financial statements, the findings on the annual performance report and the findings on compliance with legislation included in this report.
28. Management did not ensure that an appropriate level of monitoring was established over the compilation of financial statements which could have prevented a number of material findings.
29. Management did not ensure that sufficient controls were in place to prepare adequate and complete financial statements that are supported and evidenced by complete and accurate information.
30. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support the financial statements

Auditor - General

Pretoria

31 July 2022



AUDITOR GENERAL  
SOUTH AFRICA

Auditing to build public confidence

## ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objective and on the public entity's compliance with respect to the selected subject matters.

### Financial Statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Authority

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

### Communication with those charged with Governance

3. I communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the Accounting Authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

# ACCOUNTING AUTHORITY'S REPORT

SAQA is a statutory body governed by the National Qualifications Framework (NQF) Act No 67 of 2008. SAQA's primary mandate is to advance the objectives of the NQF, oversee the further development and implementation of the NQF and coordinate the Sub-frameworks that comprise the NQF. In terms of the Public Finance Management Act (PFMA), SAQA is a schedule 3 A National Public Entity. 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 the Entity's Operations

The nature of the entity's business as set out in the NQF Act No.67 of 2008, is to oversee the further 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 annual financial statements. In arriving at this view, the Board took into account the current sound financial position of SAQA as well as the responsibility of the Minister of Higher Education, Science and Innovation, in terms of the NQF Act, to fund SAQA's functions. The Board considered the impact of COVID-19 measures on SAQA's financial sustainability and has also prepared a detailed cash flow projection for the foreseeable future to support the going concern principle.

## 4. Events after the Reporting Period

During the period under review, the entity requested approval from the Minister of Higher Education, Science and Innovation, in line with section 54(2) of the PFMA, to sell the building, after year-end, the entity received the Minister's approval.

This is a Non-Adjusting event as the property was still in use by SAQA and therefore cannot be reclassified as property held for sale since no advertisement for the sale of the building had been made prior to year-end. The entity will start with the process of advertising the sale of the building in the 2022/23 financial year.

## 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 policies 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;
- Recognise professional bodies and register professional designations on the NQF;
- Collaborate with international counterparts on all matters of mutual interest concerning qualifications frameworks;
- Conduct and commission research on education and training systems;
- Maintain the National Learners' Records Database (NLRD) as the key national source of information for human resource development in South Africa, including the verification of qualifications.
- Implement and maintain foreign qualifications evaluations and advisory services; and
- Inform the public about the National Qualifications Framework (NQF).

## 6. Property, Plant and Equipment and Intangible Assets

There were no changes to the nature of property, plant and equipment and intangible assets or the policy regarding their use during the year. Capital expenditure on property, plant and equipment and intangible assets for the year amounted to R 6,984,463 (2021: R 2,029,762).

Details are contained in notes 3 and 4 to the annual financial statements.

## 7. Annual Financial Statements

The annual financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) as set out in the Accounting Policy paragraph 1 on page 120.

# ACCOUNTING AUTHORITY'S REPORT

## 8. Auditors

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

The Auditor-General expresses an opinion on the annual financial statements. The audit has been performed in terms of section 188 of the Constitution of the Republic of South Africa, Act 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.

## 9. Fair Presentation

The annual financial statements fairly present the state of affairs of SAQA as at 31 March 2022, 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 31 May 2022.

## 10. 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 2021 Opening Balance	Current Year Income / Funds received/ Receivable	Current Year Expenditure/ Release/ Refund	31 March 2022
Grant Income Automation project	-	9,800,000	(5,720,560)	4,079,440
Higher Education Quality Information System(HEQCIS)	-	380,298	(295,498)	84,800
World Education Services Project (WES)	-	407,202	-	407,202
Higher Education Reform Experts- South Africa (HERESA)	-	53,283	-	53,283
	-			
	-	10,640,783	(6,016,058)	4,624,725

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

Higher Education Reform Experts: South Africa - SAQA is contracted to establish a network of Higher Education Reform Experts to support the governance, strategic planning and management of Higher Education Institutions (HEIs) in SA, to shape institutional and national higher education strategies for teaching and learning, in response to changing labour market and societal needs.

World Education Services project- SAQA is contracted to implement a pilot project to recognise the qualifications of refugees and asylum seekers in South Africa.

The Department of Higher Education and Training (DHET) allocated R 9,8 million in funding for the automation of SAQA business processes. SAQA is expected to report quarterly to DHET on the usage of these funds.

A total amount of R2,907,200 was spent on capital expenditure. This was recognised in the statement of financial position as intangible assets. The balance of R 2,813,360 has been expensed and classified as computer expenses under general expenses Note 22.



# STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Figures in Rand	Note(s)	2022 R	2021 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	23,559,311	23,770,723
Intangible assets	4	4,851,981	3,212,249
Prepayments	8	-	23,063
<b>Total non-current assets</b>		<b>28,411,292</b>	<b>27,006,035</b>
<b>Current Assets</b>			
Inventories	5	-	232,612
Receivables from exchange transactions	6	2,167,448	3,048,590
Prepayments	8	1,242,276	620,195
Cash and cash equivalents	9	62,178,022	25,082,308
<b>Total current Assets</b>		<b>65,587,746</b>	<b>28,983,705</b>
<b>Total Assets</b>		<b>93,999,038</b>	<b>55,989,740</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Finance lease obligation	10	76,390	-
<b>Total Non-current liabilities</b>		<b>76,390</b>	<b>-</b>
<b>Current Liabilities</b>			
Finance lease obligation	10	183,329	-
Deferred Income	11	7,680,273	5,585,818
Provisions	12	1,008,237	8,611,145
Payables from exchange transactions	13	4,517,680	9,587,932
<b>Total Liabilities current liabilities</b>		<b>13,389,519</b>	<b>23,784,895</b>
<b>Net assets</b>		<b>80,533,129</b>	<b>32,204,845</b>
Accumulated surplus		80,533,129	32,204,845
		-	-

# STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2022 R	2021 R
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rendering of services	14	47,929,506	45,543,200
Rental Income	15	125,213	33,150
Interest received		1,249,631	1,020,611
Reversal of provision for credit loss		508,445	217,427
Sundry Income		934,050	1,392,393
Compensation from insurance		53,884	19,681
Gain on foreign exchange		8,174	-
<b>Total revenue from exchange transactions</b>		<b>50,808,903</b>	<b>48,226,462</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants received from the Department of Higher Education and Training	18	82,793,000	72,519,000
Automation Project Grant	17	5,720,560	-
<b>Total revenue from non-exchange transactions</b>		<b>88,513,560</b>	<b>72,519,000</b>
<b>Total revenue</b>	14	<b>139,322,463</b>	<b>120,745,462</b>
<b>Expenditure</b>			
Employee related costs	19	(59,493,697)	(102,185,753)
Depreciation and amortisation	20	(5,355,898)	(4,348,403)
Lease rentals on operating lease	16	(109,700)	(105,284)
Bad debts written off		(91,091)	-
Loss on disposal of assets		(200,247)	(19,454)
Loss on foreign exchange		-	(88,674)
Collateral inventory write-downs		(232,612)	-
General Expenses	21	(24,236,500)	(20,770,057)
Repairs and maintenance	22	(1,274,435)	(368,977)
<b>Total expenditure</b>		<b>(90,994,180)</b>	<b>(127,886,602)</b>
<b>Surplus (deficit) for the year</b>		<b>48,328,284</b>	<b>(7,141,138)</b>

## STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at 1 April 2020</b>	<b>39,345,983</b>	<b>39,345,983</b>
Changes in net assets Deficit for the period	(7,141,138)	(7,141,138)
Total changes	(7,141,138)	(7,141,138)
<b>Balance at 1 April 2021</b>	<b>32,204,845</b>	<b>32,204,845</b>
Changes in net assets		
Surplus for the year	48,328,284	48,328,284
Total changes	48,328,284	48,328,284
<b>Balance at 31 March 2022</b>	<b>80,533,129</b>	<b>80,533,129</b>

# CASH FLOW STATEMENT

Figures in Rand	Note(s)	2022	2021
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rendering of services		46,825,663	42,614,855
Government and UQR Project grants received		92,593,000	73,506,741
Interest income		1,249,631	1,020,611
Project funding received		1,621,592	2,000,000
		142,289,886	119,142,207
<b>Payments</b>			
Employee costs		(64,251,900)	(91,783,828)
Payments to suppliers and others		(34,417,774)	(24,567,312)
		(98,669,674)	(116,351,140)
<b>Net cash flows from operating activities</b>	25	<b>43,620,212</b>	<b>2,791,067</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(3,417,900)	(739,754)
Purchase of other intangible assets	4	(3,366,315)	(1,290,008)
<b>Net cash flows from investing activities</b>		<b>(6,784,215)</b>	<b>(2,029,762)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(259,719)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>37,095,716</b>	<b>761,305</b>
Cash and cash equivalents at the beginning of the year		25,082,308	24,321,003
<b>Cash and cash equivalents at the end of the year</b>	9	<b>62,178,022</b>	<b>25,082,308</b>

The accounting policies on pages 120 to 129 and the notes on pages 130 to 162 form an integral part of the annual financial statements.

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Foreign qualifications evaluation fees	40,040,000	(15,040,000)	25,000,000	33,892,070	8,892,070	38
Rental Income	-	79,500	79,500	125,213	45,713	38
Interest received	1,200,000	-	1,200,000	1,249,631	49,631	38
Verification fees	20,000,000	(10,000,000)	10,000,000	11,551,814	1,551,814	38
Professional bodies fees	2,500,000	(1,000,000)	1,500,000	2,485,622	985,622	38
Recovery of debt impairment	-	-	-	508,445	508,445	
Sundry Income	520,000	40,000	560,000	934,050	374,050	38
Compensation form insurance	-	-	-	53,884	53,884	
Gain on foreign exchange	-	-	-	8,174	8,174	38
<b>Total revenue from exchange transactions</b>	<b>64,260,000</b>	<b>(25,920,500)</b>	<b>38,339,500</b>	<b>50,808,903</b>	<b>12,469,403</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	82,793,000	-	82,793,000	82,793,000	-	38
Retained surplus funds from prior years	-	4,346,003	4,346,003	-	(4,346,003)	38
Automation Project Grant	-	9,800,000	9,800,000	5,720,560	(4,079,440)	38
<b>Total revenue from non-exchange transactions</b>	<b>82,793,000</b>	<b>14,146,003</b>	<b>96,939,003</b>	<b>88,513,560</b>	<b>(8,425,443)</b>	
<b>Total revenue</b>	<b>147,053,000</b>	<b>(11,774,497)</b>	<b>135,278,503</b>	<b>139,322,463</b>	<b>4,043,960</b>	

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Expenditure</b>						
Personnel	103,609,543	(36,347,232)	67,262,311	59,493,697	(7,768,614)	38
Depreciation and amortisation	-	4,454,837	4,454,837	5,355,898	(901,061)	38
Repairs and Maintenance	1,592,000	409,235	2,001,235	1,274,435	(726,800)	38
Lease rentals on operating lease	-	97,511	97,511	109,700	12,189	38
Bad debts written off	-	-	-	91,091	91,091	38
Loss on inventory write-down	-	-	-	232,612	232,612	38
Loss on disposal of assets	-	-	-	200,247	200,247	38
General Expenses	32,136,453	26,002,036	58,138,489	24,236,500	(33,901,989)	38
<b>Total expenditure</b>	<b>137,337,996</b>	<b>(5,383,613)</b>	<b>131,954,383</b>	<b>90,994,180</b>	<b>(40,960,203)</b>	
<b>Surplus before taxation</b>	<b>9,715,004</b>	<b>(3,409,996)</b>	<b>6,305,008</b>	<b>48,641,866</b>	<b>42,336,858</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>9,715,004</b>	<b>(3,409,996)</b>	<b>6,305,008</b>	<b>48,641,866</b>	<b>42,336,858</b>	
<b>Reconciliation</b>						

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Receivables from exchange transactions	-	-	-	1,713,624	1,713,624	38
Prepayments	-	-	-	1,242,276	1,242,276	38
Cash and cash equivalents	-	-	-	62,178,022	62,178,022	38
<b>Total current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,133,922</b>	<b>65,133,922</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	5,175,000	(1,850,000)	3,325,000	23,938,778	20,613,778	38
Intangible assets	-	-	-	4,851,981	4,851,981	38
	<b>5,175,000</b>	<b>(1,850,000)</b>	<b>3,325,000</b>	<b>28,790,759</b>	<b>25,465,759</b>	
<b>Total Assets</b>	<b>5,175,000</b>	<b>(1,850,000)</b>	<b>3,325,000</b>	<b>93,924,681</b>	<b>90,599,681</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Provisions	-	-	-	1,008,237	1,008,237	
Finance lease obligation	-	-	-	183,329	183,329	38
Provisions	-	-	-	5,137,977	5,137,977	
Deferred Income	-	-	-	7,680,273	7,680,273	38
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,009,816</b>	<b>14,008,816</b>	
<b>Non-Current Liabilities</b>						
Finance lease obligation	-	-	-	76,390	76,390	10
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,086,206</b>	<b>14,086,206</b>	
<b>Net Assets</b>	<b>5,175,000</b>	<b>(1,850,000)</b>	<b>3,325,000</b>	<b>79,834,475</b>	<b>76,513,475</b>	

# ACCOUNTING POLICIES

## 1. Basis of Preparation

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, except for the financial instruments stated at fair value as disclosed in the notes below. They are presented in South African Rands.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

### 1.1 Significant Judgements and Sources of Estimation Uncertainty

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

#### *Significant accounting estimates and assumptions*

##### **Provisions**

Provisions were raised based on management-determined estimates using the information available. The accounting policy for provisions is disclosed under Note 1.5, and additional disclosures of these estimates of provisions are included in Note 12.

Useful lives of property, plant and equipment, and intangible assets

SAQA management determines the estimated useful lives and related depreciation charges for property, plant and equipment, and intangible assets. These estimates are based on the condition and use of the individual assets to determine the remaining period over which the assets can and will be used.

At the end of each financial year, management assesses whether there is an indication that SAQA's expectations about the residual values and useful lives of assets included in property, plant and equipment have changed since the previous reporting date.

##### **Impairment Testing**

Management reviews and conducts annual tests of the carrying value of assets when the events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates of expected future cashflows for each group of assets are prepared. ( refer to Note 1.12).

##### **Trade and Other Receivables**

The entity assesses its trade receivables and other receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether observable data indicates a measurable decrease in the estimated future cash flows from a financial asset. The impairment of trade and other receivables is calculated on a portfolio basis and all debts over three months old, where payments are not being received, are impaired.

### 1.2 Property, Plant and Equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one financial period.

##### **Recognition**

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 entity; and
- the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in a manner intended by management.



# ACCOUNTING POLICIES

## 1.2 Property, Plant and Equipment (continued)

### Initial Measurement

Property, plant and equipment are initially measured at cost. Where an asset is acquired through a non-exchange transaction, its costs shall be measured at its fair value as at the date of acquisition and where property, plant and equipment are initially recognised as an asset on the acquisition date and are initially recorded at cost, when acquired through exchange transactions.

### Subsequent Measurement

Property, plant and equipment are subsequently measured at cost less any subsequent accumulated depreciation and any impairment losses. These assets are depreciated on a straight-line basis at a rate that will result in each asset being written off over its useful life.

### Residual Value

The residual value of an asset is the estimated amount that could currently be obtained from the disposal of an asset, after deducting the estimated costs of disposal, if the asset was already at the age and in the condition expected at the end of its useful life.

### Depreciation

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

Asset	Useful life
Land	-
Buildings	5 - 50 years
IT equipment	4 - 20 years
Furniture and fixtures	4 - 27 years
Motor vehicles	10 years

The residual value and the useful life and depreciation method of each asset is reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in the accounting estimate.

The depreciation charge for each period is recognised as a surplus or deficit.

Depreciation methods, estimated useful lives and residual values are reviewed annually at the reporting date. Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognised when it is probable that the future economic benefits or service potential associated with the item will flow to the entity and its cost or fair value can be measured reliably. The carrying amount of the replaced parts is de-recognised.

Maintenance and repairs, which neither materially add to the value of the assets nor prolong their useful lives, are charged against the statement of financial performance. The entity separately discloses expenditures to repair and maintain property, plant and equipment in the notes to the annual financial statements (refer to Note 23).

### De-recognition

Items of property, plant and equipment are de-recognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

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

## 1.3 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 other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

# ACCOUNTING POLICIES

## 1.3 Intangible Assets (continued)

SAQA recognises an intangible asset when:

- 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 intangible assets.

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 the financial position date to determine whether there is any indication of impairment. The estimated useful lives and residual values are reassessed annually.

All of SAQA's intangible assets have a finite useful life.

Amortisation is provided to write-down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful life
DFQEAS Workflow Software	8 - 14 years
NLRD Software	22 years
SAQA Website	5,5 years
License Fees	As per the license agreement
Verifications Database	8 years
Other computer software	10 years
Automation Workflow under development (Work-In-Progress)	

The entity discloses relevant information relating to assets under development, in the notes to the financial statements (see Note 4).

SAQA de-recognises intangible assets:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the de-recognition of intangible assets is included as a surplus or deficit when the asset is de-recognised.

## 1.4 Inventories

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

Subsequently, inventories are measured at the lower value of cost and net realisable value. Inventories are measured at the lower value of cost and net realisable value where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

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

The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using the specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current

# ACCOUNTING POLICIES

## 1.4 Inventories (continued)

replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, is recognised as a reduction in the amount for inventories recognised as an expense in the period in which the reversal occurs.

SAQA implemented the Just-in-Time (JIT) process of acquiring stationery as it eliminated the need for an inventory/stationery store and subsequently, stationery inventories are no longer measured at the lower value of cost and current replacement cost, at the reporting date.

Collateral inventories are measured at the lower value of cost and net realisable value where they are held for distribution at no charge or a nominal charge.

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

## 1.5 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
- An outflow of economic benefits will probably be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that 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 value 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.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are reversed if it is no longer probable that an outflow of resources

embodying economic benefits or service potential will be required, to settle the obligation. Where discounting is used, the carrying amount of provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

## Performance Bonus

Performance bonus is a short-term employee benefit that is expensed as the related services are provided. A liability is recognised for the amount expected to be paid if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably. Liability for a performance bonus is raised on the estimated amount payable in terms of the incentive scheme, which is based on the employee's performance in the applicable year. Performance bonuses are expected to be settled within 12 months from the reporting date. Management has decided not to declare any bonuses for the financial year under review.

## 1.6 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and

Contracts should relate to something other than the routine, steady-state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded. 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 that are yet to be due for payment. Commitments are not recognised in the statement of financial position but disclosed in the notes to the annual financial statements. Refer to Note 43.

# ACCOUNTING POLICIES

## 1.7 Employee Benefits

### Short-term Employee Benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

The recognised employee entitlements to a 13<sup>th</sup> cheque and annual leave represent the amount that SAQA has a present obligation to pay as a result of employees' services provided at the reporting date. The amounts are calculated based on salary rates at the reporting date.

### Defined Contribution Plans

SAQA contributes to a defined contribution retirement benefit plan for its employees and all contributions are charged against the statement of financial performance as incurred, and they represent the contribution paid to these plans by the entity at a rate specified by the entity's policy.

### Accrual For Leave Pay

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is based on the total cost to the company and is raised for estimated liabilities as a result of services rendered by employees up to the reporting date.

### Performance Bonus

Performance bonus is a short-term employee benefit that is expensed as the related services are provided. A liability is recognised for the amount expected to be paid if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided

by the employee and the obligation can be measured reliably. Liability for a performance bonus is raised on the estimated amount payable in terms of the incentive scheme, which is based on the employee's performance in the applicable year. Performance bonuses are expected to be settled within 12 months from the reporting date. Management has decided not to declare any bonuses for the financial year under review.

## 1.8 Revenue

### 1.8.1 Revenue from Exchange Transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows increase net assets, and are different from increases relating to contributions from owners.

An exchange transaction is one in which SAQA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue from exchange transactions comprises the following:

#### Verification Fees

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

#### Foreign Qualifications Evaluation Fees

Fees received for the evaluation of the foreign qualification services are recognised immediately as income from 1 October 2020. For all fees received before 1 October 2020, a compliance and administration fee is recognised as income once an application has been accepted, registered, and a reference number is assigned. The balance of the fee charged is recognised as revenue once the evaluation is completed, and a report/certificate is issued.

# ACCOUNTING POLICIES

## 1.8 Revenue (continued)

### Professional bodies fees

A percentage of 0,27% of a non-statutory professional body's total income minus income from donations and sponsorships with a minimum fee of R 10 000 and the maximum fee of R 200 000 is recognised as revenue annually.

### Sundry income

Sundry income comprises income recoveries and income received from projects that SAQA manages from time to time. Sundry income is recognised when it becomes due to SAQA.

### Rental 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.

### Interest income

Interest income from a short-term investment is recognised on a time-proportion basis using the effective interest rate.

### 1.8.2 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

SAQA receives a government grant from the Department of Higher Education and Training.

The Government 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.

After initial recognition:

- Grants that give immediate financial support with no future related costs are recognised in the statement of financial performance in the period in which they become receivable; and

- 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 conditions as to the use thereof are held in a deferred revenue account until the conditions or stipulations related thereto have been fulfilled or 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 there is no longer any liability by the entity that relates to that grant.

The entity's deferred revenue relates to the deposits made before 1 October 2020 on foreign qualifications evaluations and verifications of qualifications of which revenue received in advance for verifications of national qualifications is recognised after SAQA renders the services to the clients.

### 1.8.3 Revenue from non-exchange transactions

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured as the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at

## ACCOUNTING POLICIES

### 1.8 Revenue (continued)

the date of acquisition, unless it is also required to recognise a liability. Where a liability is recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured under this accounting Policy, as well as the accounting Policy on Statutory Receivables. The entity applies the Accounting Policy on Statutory Receivables for the subsequent measurement, de-recognition, presentation and disclosure of statutory receivables.

#### 1.8.4 Revenue from non-exchange transactions (continued)

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions are classified according to the nature of the underlying transaction.

### 1.9 Leases

#### Finance leases - lessee

Leases are classified as finance leases whenever the terms of the lease transfer all the substantial risks and rewards of ownership to the lessee.

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. After initial recognition, the asset is accounted for under the accounting policy applicable to that asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The applicable finance charges are charged to the statement of

financial performance.

For the period under review, SAQA entered into a finance lease agreement for mobile phones for a period of 24 months.

#### Operating leases - lessor

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

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

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in the statement of financial performance.

#### Operating leases - lessee

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

### 1.10 Financial instruments

SAQA classifies financial instruments, or their components parts, on initial recognition as a financial asset, a financial liability or residual interest as per the substance of the contractual arrangement.

#### Initial recognition

Financial assets and liabilities are recognised in the statement of financial position only when SAQA becomes a party to the contractual provision of the instrument. Financial instruments are initially recognised at cost. SAQA recognises financial assets using trade date accounting.

#### Measurement

##### Finance assets

SAQA's financial assets comprise trade and other receivables and cash and cash equivalents.

## ACCOUNTING POLICIES

### 1.10 Financial instruments (continued)

These financial assets are classified as financial assets at amortised costs.

After its initial recognition, non-derivative financial assets are measured as described below:

#### Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method less the provision for credit losses. A provision for credit losses is established when there is objective evidence that not all amounts will be collected according to the original terms of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. SAQA also considered the delays in receiving payments due to COVID-19 and lock-down rules; therefore, this resulted in current debtors being assessed for impairment. The provision for credit allowance is recognised in surplus or deficit when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.

#### Cash and cash equivalents

Cash and cash equivalents consist of the balances in the current and call investment accounts and the cash on hand. Cash and cash equivalents are recognised at cost, which equals their fair value at the reporting date.

#### Finance liabilities

SAQA's financial liabilities comprise trade and other payables and finance lease liabilities. Fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

#### Trade and other payables

SAQA's principal trade and other payables relate to the amount owed to the suppliers and levies to the municipality. The payables are initially measured at cost plus any directly

attributable transaction costs. After initial recognition, these financial liabilities are measured at cost /amortised cost which relates to finance leases, using the effective the interest rate method.

#### Finance income, gains and losses

Finance income is recognised using the effective interest method with gains and losses recognised in the statement of financial performance (surplus or deficit).

Finance income includes interest earned on deposits and short-term investments.

#### Offsetting

SAQA does not offset financial assets, financial liabilities and revenue and expenses in the statement of financial performance and position.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that are held for trading.

#### Derecognition of financial instruments

Financial assets are de-recognised when the contractual rights to the cash flow from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in such transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

Finance liabilities are de-recognised when the obligation is discharged, cancelled or expires.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently 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 liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for de-recognition, the entity does not offset the transferred asset and the associated liability.

## ACCOUNTING POLICIES

### 1.11 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 from translation are credited to or charged against the statement of financial performance.

### 1.12 Impairment of non-cash generating assets

Cash-generating assets are assets used to generate a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

SAQA's non-financial assets consist only of non-cash generating 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 greater 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 discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

### 1.13 Related parties

The 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. Transactions and balances with national departments of government and state-controlled entities which occur other than under the operating parent establishment are disclosed as related party transactions.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Management is those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity under the legislation, in instances where they are required to perform such functions.

All payments to the Executive Management members and Board members are disclosed as related party transactions. Transactions and balances with national departments and state-controlled entities that occur other than at arm's length or outside the operating parameters are also disclosed as related parties. SAQA shall disclose narrative information about the nature of the transactions and related outstanding balances of transactions with terms and conditions within the normal operating parameters.

### 1.14 Accounting by principals and agents

#### Identification

SAQA is a principal entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

### 1.15 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified according to the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.



## ACCOUNTING POLICIES

### 1.16 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 per 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 incurred, unless it is impractical to determine, in which case reasons, therefore, must be provided in the notes.

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

### 1.17 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken based on the financial statements.

### 1.18 Going concern assumption

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

### 1.19 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 43.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the previous and current period

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard / Interpretation	Effective date:	Expected impact:
IGRAP1: Applying the Probability Test On Initial Recognition Of Revenue	01 April 2021	No material impact as this was applied in the prior years
IGRAP 3: Determining Whether an Arrangement Contains a Lease	01 April 2021	This has been applied on recognition of finance lease
IGRAP 13: Operating Leases - Incentives	01 April 2021	No impact as the entity does not have incentives offered by the lessor
IGRAP 14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease	01 April 2021	This has been considered on recognition of finance lease transaction
IGRAP 15: Revenue - Barter Transactions Involving Advertising Services	01 April 2021	No impact as the entity is not providing advertising services to its customers in exchange for services required by customers
IGRAP 16: Intangible assets-website Costs	01 April 2021	No impact as this was applied in the prior years
IGRAP 18: Recognition and Derecognition of Land	01 April 2021	No impact as the entity owns and control the land and this has been recognised in the statement of financial position
IGRAP 19: Liabilities to Pay Levies	01 April 2021	No impact as this has been applied in the current and prior year
IGRAP 20: Accounting for Adjustment to Revenue	01 April 2021	No impact as the entity has no revenue adjustment applied in the current and prior year

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## Figures in Rand

### 2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25: Employee Benefits	01 April 2022	No impact as the principle was applied in the prior years
GRAP 104: Financial Instruments	01 April 2025	No impact as the entity is applying principle on disclosure notes
IGRAP 21: The effect on a past decision on materiality	01 April 2023	No impact as the principle was applied in the prior years
IGRAP 7: Limit on defined benefit asset, minimum funding requirements and their interaction	To be determined	Determination still in progress

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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#### 3. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	515,455	-	515,455	515,455	-	515,455
Buildings	23,004,070	(7,428,218)	15,575,853	22,242,736	(6,697,395)	15,545,341
Furniture and fixtures	4,618,114	(3,283,615)	1,334,499	4,736,696	(3,032,900)	1,703,796
Motor vehicles	304,287	(240,786)	63,501	304,287	(186,719)	117,568
IT equipment	18,142,416	(12,325,321)	5,817,095	19,302,455	(13,413,892)	5,888,563
Finance leased equipment	340,781	(87,872)	252,909	-	-	-
<b>Total</b>	<b>46,925,123</b>	<b>(23,365,812)</b>	<b>23,559,311</b>	<b>47,101,629</b>	<b>(23,330,906)</b>	<b>23,770,723</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Land	515,455	-	-	-	515,455
Buildings	15,545,341	761,334	-	(730,824)	15,575,851
Furniture and fixtures	1,703,796	1,990	(17,624)	(353,663)	1,334,499
Motor vehicles	117,568	-	-	(54,067)	63,501
IT equipment	5,888,563	2,488,161	(161,508)	(2,398,121)	5,817,095
Finance leased equipment	-	366,663	(21,115)	(92,639)	252,909
	<b>23,770,723</b>	<b>3,618,148</b>	<b>(200,247)</b>	<b>(3,629,314)</b>	<b>23,559,311</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

### 3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Land	515,455	-	-	-	515,455
Buildings	15,518,665	264,587	-	(237,911)	15,545,341
Furniture and fixtures	1,914,022	-	-	(210,226)	1,703,796
Motor vehicles	147,432	-	-	(29,864)	117,568
IT equipment	7,105,897	475,167	(19,454)	(1,673,048)	5,888,563
	<b>25,201,471</b>	<b>739,754</b>	<b>(19,454)</b>	<b>(2,151,049)</b>	<b>23,770,723</b>

#### Pledged as security

None of the items of property, plant and equipment is pledged as security.

SAQA acquired the land and buildings at 1067 Arcadia Street, Hatfield, Pretoria, Erf 637 Hatfield, on 01 October 2002 for R 5,400,000. Net improvements to the land and buildings to date amount to R 18,119,525 (2021: R 17,358,191).

The useful lives and residual values of various categories of property plant and equipment were assessed at the reporting date, and it resulted in a change in the accounting estimate. Refer to Note 33.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>3. Property, plant and equipment (continued)</b>		
Expenditure on repairs and maintenance to property, plant and equipment amounts to R 1,274,435 (2021: R 368,977,00)		
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	995,126
2017	169,016	169,016
2018	243,662	243,662
2019	864,636	864,636
2020	490,858	490,858
2021	264,587	264,587
2022	761,334	-
	<b>23,519,525</b>	<b>22,758,191</b>
<b>Assets subject to finance lease (Net carrying amount)</b>		
Finance leased equipment	252,909	-

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

### 4. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Other computer software	83,456	(27,243)	56,213	83,456	(18,610)	64,846
DFQEAS Workflow Software	3,221,010	(2,366,153)	854,857	2,435,611	(2,262,705)	172,906
NLRD Software	27,002,662	(26,614,546)	388,116	27,002,662	(26,420,489)	582,173
SAQA Website	340,976	(123,991)	216,985	340,976	(61,996)	278,980
Licence fees	5,131,180	(4,757,385)	373,795	4,672,065	(3,476,392)	1,195,673
Verification Database	380,825	(326,010)	54,815	380,825	(248,554)	132,271
DFQEAS Workflow Under Development	-	-	-	785,400	-	785,400
Automation Workflow Under Development	2,907,200	-	2,907,200	-	-	-
<b>Total</b>	<b>39,067,309</b>	<b>(34,215,328)</b>	<b>4,851,981</b>	<b>35,700,995</b>	<b>(32,488,746)</b>	<b>3,212,249</b>

### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Other Licenses	64,846	-	-	(8,633)	56,213
DFQEAS Workflow Software	172,906	-	785,400	(103,449)	854,857
NLRD Software	582,173	-	-	(194,057)	388,116
SAQA Website	278,980	-	-	(61,995)	216,985
License fees	1,195,673	459,115	-	(1,280,993)	373,795
Verification Database	132,271	-	-	(77,456)	54,815
DFQEAS Workflow Under Development	785,400	-	(785,400)	-	-
Automation of Workflow Under Development	-	2,907,200	-	-	2,907,200
	<b>3,212,249</b>	<b>3,366,315</b>	<b>-</b>	<b>(1,726,583)</b>	<b>4,851,981</b>

The Automation Work-in-Progress is a non-current asset in which the costs of developing long-term assets are recorded under Automation-Workflow-Under Development. The automation Work-in-Progress will have a debit balance and is reported on the statement of financial position as part of the entity's intangible assets.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### 4. Intangible assets (continued)

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Other Licenses	72,329	-	(7,483)	64,846
DFQEAS Workflow Software	231,336	-	(58,430)	172,906
NLRD Software	727,717	-	(145,544)	582,173
SAQA Website	340,976	-	(61,996)	278,980
License fees	1,795,799	1,290,008	(1,890,134)	1,195,673
Verification Database	166,042	-	(33,771)	132,271
DFQEAS Workflow Under Development	785,400	-	-	785,400
	<b>4,119,599</b>	<b>1,290,008</b>	<b>(2,197,358)</b>	<b>3,212,249</b>

#### Intangible assets in the process of being developed

### 5. Inventories

Inventories

- 232,612

Inventories - 232,612

#### Inventory pledged as security

No Inventory was pledged as security for the period under review. Collateral inventory that was kept for a long time without being distributed/utilised to the value of R 232,612,00 were written off in the current financial year.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>6. Receivables from exchange transactions</b>		
Trade debtors	2,666,964	3,928,848
Less provision for credit losses	(499,516)	(1,007,961)
Staff debt repayment	-	127,703
	<b>2,167,448</b>	<b>3,048,590</b>

### Trade and other receivables pledged as security

No Trade and other receivables were pledged as security for overdraft facilities for the current and prior years.

### 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. There was no significant concentration of credit risk as at the statement of financial position date.

### Reconciliation of provision for credit loss of receivable from exchange transactions

Opening balance	1,007,961	1,211,140
Recovery debt impairment	(508,445)	(203,179)
	<b>499,516</b>	<b>1,007,961</b>

There was a decrease in the provision for impairment of debtors as SAQA managed to reduce the long outstanding debts through vigorous debt collection efforts.

### The ageing of amounts due are as follows:

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2022, R 2,167,448 (2021: R 3,048,590 -) were past due but not impaired.

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

Current 1 month due	1,002,832	718,547
2 months past due	234,091	552,710
3 months past due	930,525	1,777,333
	<b>2,167,448</b>	<b>3,048,590</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## 7. Receivables from non-exchange transactions Receivables from non-exchange transactions impaired

As of 31 March 2022, there were no other receivables from non-exchange transactions that were impaired.

Opening balance	-	14,249
Charged to the Statement of Financial Performance	-	(14,249)

## 8. Prepayments

E-Toll	-	528
Insurance	-	334,446
IT Support and maintenance	1,240,358	129,658
Subscriptions	1,918	178,626
	<b>1,242,276</b>	<b>643,258</b>
	-	-

## 9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6,187	6,122
Bank balances	13,681,328	3,806,922
Corporation for Public Deposits	48,490,507	21,269,264
	<b>62,178,022</b>	<b>25,082,308</b>

### Credit quality of cash at bank and short-term deposits, excluding cash on hand

The cash and short-term deposits held with banking institutions and the CPD are regarded as having insignificant credit risk, SAQA invests its surplus cash in a short-term deposit account with CPD. The interest rate fluctuates in line with the movements in current money market rates.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>10. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	183,329	-
- in second to fifth year inclusive	76,390	-
<b>Present value of minimum lease payments</b>	<b>259,719</b>	<b>-</b>
<b>Present value of minimum lease payments due</b>		
- within one year	183,329	-
- in second to fifth year inclusive	76,390	-
	<b>259,719</b>	<b>-</b>
Non-current liabilities	76,390	-
Current liabilities	183,329	-
	<b>259,719</b>	<b>-</b>
The total future minimum lease payment expected to be paid under a non- cancellable lease	259,719	-

The Finance lease liability for the entity is for a cellphone contract, at the inception of the lease the interest rate was calculated at zero. The entity leases the cellphones from Mobile Telecommunication Network (MTN) for 24 months.

### Terms and Conditions

- i) SAQA opted to participate in the transversal contract secured by the National Treasury and entered into a twenty-four (24) months contract with Mobile Telecommunication Network (MTN) for 85 Samsung A32 cellphones. Therefore SAQA leases the cellphone equipment under a 24-month finance lease with an option to renew.
- ii) There are no escalations to the lease agreement as all cellphones are leased at a fixed rate for the duration of the lease.
- iii) The contract will be renewed for one year if the entity does not give written notice of the cancellation of the contract.
- iv) There is no contingent rent payable.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## 11. Deferred Income

Unspent conditional grants and receipts comprise:

### Unspent conditional grants and receipts

Foreign Qualifications Evaluation Services	2,924,759	5,415,873
Automation Project	4,079,440	-
Rent received in advance	-	1,291
Verifications	676,074	168,654
	<b>7,680,273</b>	<b>5,585,818</b>

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

Unfulfilled conditions and other contingencies attached to government assistance that has been recognised. See note for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

The amount of deferred income for foreign evaluations relates to the funds received from clients for evaluations of foreign qualifications. This amount is deferred to the statement of financial positions until SAQA renders the services required by the clients.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### 12. Provisions

#### Reconciliation of employee Benefit provisions - March 2022

	Opening Balance	Additions	Utilised during the year	Total
Cost of retrenchments	8,191,755	-	(8,191,755)	-
Employee-related Skills levy	419,390	-	(419,390)	-
Provision for performance bonus	-	1,008,237	-	1,008,237
	<b>8,611,145</b>	<b>1,008,237</b>	<b>(8,611,145)</b>	<b>1,008,237</b>

#### Reconciliation of Employee Benefits provisions - March 2021

	Opening Balance	Additions	Total
Cost of retrenchments	-	8,191,755	8,191,755
Employee-related Skills levy	-	419,390	419,390
	-	<b>8,611,145</b>	<b>8,611,145</b>

The restructuring provision relates to prior year redundancy costs incurred on the retrenchment of employees. Approximately 50% of the staff had been retrenched in May 2021 following the restructuring processes in line with section 189 of the Labour Relations Act.

SAQA does not know the timing of the payment for leave as this is dependent on whether an employee remains in the service of SAQA or not. Bonus provisions will be paid out each year in terms of the Policy on Performance Management and Development. Any provision for leave pay-out is dependent on whether an employee remains in the service of SAQA or not. Any provision for bonus (13<sup>th</sup> cheque) is paid out in December of each year or the month after an employee leaves the employ of SAQA. These provisions have, therefore, not been included in the age analysis table below.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>13. Payables from exchange transactions</b>		
Trade payables	275,430	3,335,329
accrued leave pay	1,976,318	5,243,400
Accrued 13 <sup>th</sup> cheque	518,176	940,553
Accrued expense	1,280,392	-
Debtors with negative balances	453,823	-
Suspense account- Bank transfers	14,541	68,650
	<b>4,157,680</b>	<b>9,587,932</b>

SAQA payables all its trade and other payables within 30 days of receipt of the invoice following the terms of the PFMA and Treasury Regulations.

**The ageing of Accounts Payable is as follows:**

Current due (1 month)	1,280,392	2,783,089
2 months past due	-	185,305
>3 months	288,970	435,585
	<b>1,569,362</b>	<b>3,403,979</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>14. Revenue</b>		
Rendering of services	47,929,506	45,543,200
Rental of facilities and equipment	125,213	33,150
Interest received	1,249,631	1,020,611
Compensation from insurance	53,884	19,681
Recovery debt impairment	508,445	217,427
Sundry income	934,050	1,392,393
Gain on foreign exchange	8,174	-
Government grants & subsidies	82,793,000	72,519,000
Automation Project Grant	5,720,560	-
	<b>139,322,463</b>	<b>120,745,462</b>
<b>The amount included in revenue arising from the exchange of goods or services is as follows:</b>		
Foreign qualification evaluation fees	33,892,070	32,564,244
Verification fees	11,551,814	10,558,350
Professional bodies fees	2,485,622	2,420,606
	<b>47,929,506</b>	<b>45,543,200</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
Government grants & subsidies	82,793,000	72,519,000
Automation Project Grant	5,720,560	-
	<b>88,513,560</b>	<b>72,519,000</b>

### 15. Rental income

Included in Note 15 are operating lease rentals at straight-lined amounts of R 125 212.65 (2021: R 33 150)

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>16. Lease rentals on operating lease</b>		
<b>Equipment</b>		
Contractual amounts	109,700	105,284
<b>17. Other revenue</b>		
Retained surplus funds from prior years	4,346,003	8,861,131
<b>18. Government grants and subsidies</b>		
Government grant: DHET	82,793,000	72,519,000
Automation Project Grant	5,720,460	-
	<b>88,513,460</b>	<b>72,519,000</b>
<b>19. Employee-related costs</b>		
Basic Salaries and other benefits	53,028,159	92,258,412
UIF and COIDA	267,334	550,778
Defined contribution plans	6,198,204	9,376,563
	<b>59,493,697</b>	<b>102,185,753</b>
<b>20. Depreciation and amortisation</b>		
Property, plant and equipment	3,629,314	2,151,047
Intangible assets	1,726,584	2,197,356
	<b>5,355,898</b>	<b>4,348,403</b>



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>21. General expenses</b>		
Advertising	30,117	12,190
Building costs: rates and taxes	1,246,802	1,363,343
Auditors' remuneration (Internal and External audit: Note 25)	1,824,824	1,912,754
Bank charges	855,744	803,398
Cleaning	943,151	979,353
Computer expenses	3,116,585	91,176
Consulting and professional fees	3,754,159	2,570,286
Flowers	-	3,480
Insurance	334,446	343,247
Conferences fees	314,065	8,345
Magazines, books and periodicals	11,656	-
Motor vehicle expenses	9,604	8,688
Recruitment costs	52,024	66,241
Postage and courier	929,617	1,752,065
Printing	293,840	232,947
Computer software licensing	751,262	627,412
Building costs:-security services	1,663,849	1,573,458
Staff welfare	11,675	43,751
Subscriptions and membership fees	202,143	280,304
Telephone and fax	200,627	427,783
Training	215,655	10,695
Travel - local	62,149	12,212
IT Support and Maintenance	4,707,420	3,454,158
Assets expensed	29,915	5,851
Building Costs-electricity and water	1,079,999	1,466,667
Verification fees	32,500	64,607
Stationery	23,718	401,687
Staff refreshments	70,231	63,808
Committee members' attendance fees	945,742	1,110,575
Educational assistance	-	(10,885)

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>21. General expenses (continued)</b>		
Document storage costs	140,635	158,978
Website hosting and maintenance costs	382,346	371,626
Reversal prior year income accrual	-	559,857
	<b>24,236,500</b>	<b>20,770,057</b>
<p>The note was configured for a fair presentation; therefore, some of the expenditure line items were reclassified within and outside the general expenses.</p>		
<b>22. Repairs and Maintenance</b>		
Repairs and maintenance	1,274,435	368,977
<b>23. Gains or losses</b>		
Trade and other receivables	(8,174)	88,674
Loss on disposal of assets	200,247	19,454
	<b>192,073</b>	<b>108,128</b>
<b>24. Auditors' remuneration</b>		
External audit	1,370,072	1,641,273
Internal audit	454,752	271,481
	<b>1,824,824</b>	<b>1,912,754</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
<b>25. Cash generated from operations</b>		
Surplus (deficit)	48,328,284	(7,141,140)
<b>Adjustments for:</b>		
Depreciation and amortisation	5,355,898	4,348,403
Loss on disposal assets	200,247	19,454
(Gain) loss on foreign exchange	(8,174)	88,674
Bad debts written off	91,091	-
Movements in provisions	(7,602,909)	8,611,146
Recovery of debt impairment	(508,445)	-
<b>Changes in working capital:</b>		
Inventories	(232,612)	425,677
Receivables from exchange transactions	1,571,647	1,041,204
Prepayments - Current	(622,081)	(114,700)
Other receivables from non-exchange transactions	-	973,492
Prepayments- Non-Current	23,063	(23,063)
Payables from exchange transactions	(5,070,252)	(220,109)
Deferred Income	2,094,455	(5,217,973)
	<b>43,620,212</b>	<b>2,791,067</b>
<b>26. Commitments-Operating leases</b>		
This committed expenditure relates to the VOX telephone management system and will be financed by available bank facilities, retained surpluses, existing cash resources, and funds internally generated.		
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	83,204	107,492
- in second to fifth year inclusive	14,054	97,258
	<b>97,258</b>	<b>204,750</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## 26. Commitments-Operating leases (continued)

SAQA entered into a new contract for water coolers effective 1 March 2020 for 24 months. The lease payment is R 2,080 per month, and there are no built-in price escalations in the lease agreement. The contract ended on 28 February 2022.

SAQA entered into a non-cancellable PABX contract with VOX on 1 June 2018 for five years (60 months) ending 31 May 2023 through a tender process where the contract and lease payments were assessed and agreed with the service provider.

From 1 June 2018, SAQA acquired the new PABX solution but still utilised the old telephone instruments, initially. The implementation of the full solution which included the new devices was done in June 2019. SAQA requested additional instruments which were installed in August 2019 to accommodate the additional staff members.

SAQA leases the instruments at a monthly fee, and they will be returned to the service provider at the end of the contract as ownership does not transfer to SAQA.

The contract is not renewable and does not have escalations. SAQA has no option to purchase the instruments at the end of the contract, and there are no restrictions imposed by the service provider. No contingent rent is payable.

### Operating lease as Lessor

#### Minimum lease payments due

- within one year

- in second to fifth year inclusive

79,500

18,000

-

46,500

**79,500**

**64,500**

SAQA entered into a month-to-month contract with the Department of Correctional Services in the current financial year to lease out 53 parking spaces. The rent shall automatically escalate after every 12 months by 5%. In the previous financial year, SAQA leased out office space to microcell for 9 years and 11 months in terms of the signed lease agreement.

## 27. Related parties

Parties related to the South African Qualifications Authority

Relationship

Controlling Entity

Council of Higher Education (under common control with SAQA)

Board and Committee Members

Senior Management

Name of related party

Department of Higher Education and Training

Council of Higher Education

Non-Executive Management

Key Management Personnel

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## 27. Related parties (continued)

### Nature of related parties

The entity has a related party relationship with public entities within the national sphere of government. The Executive Authority of SAQA is the Minister of Higher Education Science and Innovation. GRAP exempts SAQA from disclosing arms-length transactions between related parties. Although GRAP exempts SAQA from disclosing related party's transactions with terms and conditions within the normal operating parameters, SAQA shall disclose narrative information about the nature of the transactions and the related outstanding balances of such transactions.

Transactions with Board members of SAQA consist of remuneration and are disclosed in Notes 28 and 29 to the financial statements and also in the Accounting Authority Report.

### Related parties transactions

#### Grant

Department of Higher Education and Training	82,793,000	72,519,000
Department of Higher Education and Training (Automation Project)	9,800,000	-
	<b>92,593,000</b>	<b>72,519,000</b>

#### Funds received/receivable from related parties

Council on Higher Education (CHE)	295,498	2,000,000
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#### Balance owed to / (by) other related entity

Council on Higher Education (CHE)	84,800	-
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#### Related parties balances

Council on Higher Education (CHE)	84,800	-
Department of Higher Education and Training	4,079,440	62,080
Department of Higher Education and Training (uses SAQA to verify qualifications for its employees) - Provision for credit loss	-	(1,381)

#### Nature of the related parties' transaction

The transactions with related parties indicate the amounts received/receivable from related parties during 2021/22. Other related parties' transactions for key management personnel and Non-executive management are disclosed under Notes 27 and 28.

### Nature of related parties balance

The balances with related parties indicate the outstanding balance to be received and the amount remaining to be utilised in 2021/22 the balances disclosed are interest-free and not secured.

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## 27. Related parties (continued)

### Remuneration of Non-Executive management

#### Non-Executive management

2022	Board fees	Q&S / Professional Bodies Committee	I and IT Committee	Travel and Other Cost	Total
Name					
Prof P Lolwana-Chairperson	391,985	-	-	2,580	394,565
Mr BM Gantile	51,366	-	-	2,150	53,516
Ms N Starr	29,591	-	-	700	30,291
Mr AO Benjamin	29,352	-	-	100	29,452
Mr GC Louw	48,674	-	-	5,847	54,521
Ms JC Agulhas	69,209	-	-	1,987	71,196
Mr MM Mafisa	59,917	-	-	1,544	61,461
Dr JA Keevy	22,991	-	-	400	23,391
Ms SD Bhikha	29,352	-	-	800	30,152
Ms Daya	-	-	14,676	400	15,076
Dr CF Von Eck	-	25,683	-	700	26,383
Ms S Muller	-	29,352	-	800	30,152
Mr RP Zwane	-	-	3,669	100	3,769
Ms PN Sibiya	3,669	-	-	100	3,769
Ms EF Nyaka	-	-	-	600	600
Dr AC Kriel	-	7,338	-	200	7,538
Mrs Bezuidenhout	-	7,338	-	200	7,538
	<b>736,106</b>	<b>69,711</b>	<b>18,345</b>	<b>19,208</b>	<b>843,370</b>

#### Fees paid to independent Audit and Risk Committee members

	Fees for services	Other Costs			Total 2022
Mr ML Koyana	32,522	700	-	-	33,222
Mr S Maharaj	18,345	500	-	-	18,845
Ms T Mkhize	14,676	400	-	-	15,076

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### 27. Related parties (continued)

	Programme 1- Administration	Programme 2- Registration and Recognition	Programme 3 - Information and Communication Technology	Programme 4- Authentication Services	Programme 5- Research	Total
Mr OJ Mokgoantle	29,352		800	-	-	30,152
	<b>94,895</b>		<b>2,400</b>	-	-	<b>97,295</b>

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	Board fees	Audit and Risk Committee	Finance Committee	Remco/Exco	Q&S Committee	VCQ Committee	I & IT Committee	Other Committee	Travel and other costs	Total
<b>7th Board members</b>										
Prof P Lolwana- Chairperson	93,533	-	-	-	-	-	-	-	397	93,930
Mr BM Gantile	11,005	-	-	-	-	-	-	11,007	1,594	23,606
Ms N Starr	14,674	-	-	-	-	-	-	4,646	1,349	20,669
Mr AO Benjamin	3,668	-	-	-	-	-	-	-	-	3,668
Mr GC Louw	14,674	-	-	-	-	-	-	3,669	4,863	23,206
Ms JC Agulhas	14,674	-	-	-	-	-	-	-	1,756	16,430
Mr MM Mafisa	14,674	-	-	-	-	-	-	-	706	15,380
Dr V Toni Penxa	280,600	-	-	-	-	-	-	-	800	281,400
Dr SD Bhikha	22,014	-	-	-	33,998	-	-	-	2,800	58,812
Mr BM Gantile	-	-	-	-	-	3,669	11,007	-	800	15,476
Prof SJ Howie	-	-	-	-	-	-	-	-	200	200
Mr GC Louw	14,676	-	-	-	-	-	-	14,676	1,800	31,152
Ms PLF Nzimande	14,676	7,338	-	14,676	-	-	4,646	-	2,000	43,336
Prof TG Schultz	11,071	-	3,669	8,369	25,657	-	-	7,146	3,600	59,512
Mr AO Benjamin	14,676	11,007	-	-	-	-	-	-	1,400	27,083
Ms SE Lekoloane	7,338	-	-	-	-	3,669	-	-	600	11,607
	<b>531,953</b>	<b>18,345</b>	<b>3,669</b>	<b>23,045</b>	<b>59,655</b>	<b>7,338</b>	<b>15,653</b>	<b>41,144</b>	<b>24,665</b>	<b>725,467</b>

### 28. Directors' emoluments

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### 28. Directors' emoluments (continued)

2022

	Basic salary	Medical aid Allowance	Housing allowance	Other allowances / benefits	Contribution to retirement plan	13 cheque	Termination	Appreciation Payment	Total
Dr KB Reddy Chief Executive Officer - 1 May 2021	1,298,811	35,447	45,909	131,784	218,523	-	-	72,355	1,802,829
N Naidoo, Executive: Governance, People and Strategy	1,020,473	35,528	46,013	7,820	151,984	-	-	49,764	1,311,582
N Starr, Executive: National Qualifications Framework -01 September 2021	567,807	20,725	26,841	8,056	92,138	26,977	-	-	742,544
F. Netili, Executive: Finance (Chief Financial Officer)- 01 July 2021	854,703	26,646	34,510	80,575	138,249	-	-	-	1,134,683
PV Flanagan, Senior Manager: People Management	773,114	35,528	46,013	10,575	125,390	63,052	-	43,499	1,097,171
JHA Nel- Senior Manager: Registration and Recognition	773,114	35,528	46,013	10,575	125,390	59,918	-	35,083	1,085,621
J Ntsioa, Senior Manager: Information and Communication Technology and MIS	921,631	35,528	46,013	7,968	148,735	76,690	-	55,139	1,291,703
Dr H Bolton Senior Manager: Research	888,951	35,528	46,013	9,740	143,354	-	-	49,764	1,173,786
WS Radu- Senior Manager: Authentication Services -Resigned in December 2021	575,846	26,646	34,510	52,220	92,770	-	20,332	46,509	848,834
N Ravjee, Acting Chief Financial Officer 01 November 2020- 30 June 2021	191,432	9,087	11,772	25,888	40,839	31,905	193,808	-	504,731
	<b>7,865,882</b>	<b>296,191</b>	<b>383,607</b>	<b>345,201</b>	<b>1,277,372</b>	<b>258,542</b>	<b>214,140</b>	<b>352,113</b>	<b>10,993,484</b>



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### 28. Directors' emoluments (continued)

2021

	Basic salary	Medical aid Allowance	Housing allowance	Other allowances / benefits	Contribution to retirement plan	13 cheque	Termination	Total
Dr KB Reddy, Deputy Chief executive Officer	1,220,585	38,547	49,924	307,470	195,294	-	-	1,811,820
N Naidoo, Acting Deputy Chief Executive Officer-December 2020	883,041	35,528	46,013	36,862	141,287	-	-	1,142,731
C Jaftha, Director: International Liaison	765,669	35,529	46,013	-	122,507	63,806	-	1,033,524
W Radu, Director: Advocacy Communication and Support	765,669	35,528	46,013	63,806	122,507	-	-	1,033,523
P Mbingo, Director: Finance and Administration-resigned 31 October 2020	701,070	20,160	26,110	58,422	112,171	-	107,896	1,025,829
N Coetzee, Director: Foreign Qualifications Evaluations and Advisory Services-VSP 30 November 2020	590,745	23,685	30,676	576,396	94,519	73,843	91,008	1,480,872
J Ntsioa, Director: Information Technology	919,917	35,528	46,013	-	147,187	76,660	-	1,225,305
C Oelofsen, Director: National Learners' Records Database	765,669	35,528	46,013	2,542	122,507	63,806	-	1,036,065
F Nyaka, Director: Registration and Recognition-resigned	512,265	22,091	28,611	-	81,962	59,852	79,773	784,554
H Bolton, Director: Research	883,041	35,528	46,013	-	141,287	-	-	1,105,869
D Strydom, Project Director: Verifications	765,669	35,528	46,013	-	122,507	63,806	-	1,033,523
P Maboho, Director: Human Resources – resigned October 2021	569,991	23,685	30,675	-	91,199	47,499	88,031	851,080
P Flanagan, Acting Director: Human Resources – 1 November 2020	710,350	36,357	47,088	32,222	113,656	59,196	-	998,869
N Ravjee, Acting Director: Finance and Administration-1 November 2020	765,729	36,357	47,088	43,146	122,516	63,811	-	1,078,647
	<b>10,819,410</b>	<b>449,579</b>	<b>582,263</b>	<b>1,120,866</b>	<b>1,731,106</b>	<b>572,279</b>	<b>366,708</b>	<b>15,642,211</b>

An acting allowance of R46,064,00 for Dr KB Reddy for the period 18 December 2019 to 31 March 2020 is included in accruals.

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## 29. Financial Risk Management

### Financial risk factors

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 annually reviewed by the Audit and Risk Committee. The Board has approved written policies covering specific areas such as the investment policy, debtors' policy, payables policy and other policies that SAQA's management adheres to.

The gearing ratio in 2022 and 2021 respectively was as follows:

### Total borrowings

Finance lease obligation	10	259,719	-
Other financial liabilities		13,389,519	23,784,895
		<b>13,649,238</b>	<b>23,784,895</b>
Less: Cash and cash equivalents	9	62,178,022	25,082,308
Net cash		48,788,503	(1,297,413)
Total equity		80,533,129	32,204,845
<b>Total capital</b>		<b>31,744,626</b>	<b>30,907,432</b>

### 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.

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

### The maximum exposure to credit risk is as follows:

Trade Receivables	2,666,964	4,056,551
Less: Provision for credit loss	(499,517)	(1,007,961)
	<b>2,167,447</b>	<b>3,048,590</b>

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## 29. Financial Risk Management (continued)

### 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 Science and Innovation. Cash that 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 the invoice. See Note 13 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 (CPD). 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 R 45,8 million (2021: R 25,7 million), a 1% rise or fall in the interest rate would affect the income by either increasing income or decreasing it by R 458,000 (2021: R 455,258), having an effect of 0.21% (2021: 0.21%) 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.

### 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. Funds 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 R 6,198,203.76 (2021: R 9,376,563) represents contributions payable to the scheme by SAQA according to the rates specified in the rules of the scheme. This amount is disclosed under employee-related costs in the statement of financial performance (refer to Note 20). As at 31 March 2022, all contributions had been paid over to the scheme.

## 30. Going Concern

We draw attention to the fact that on 31 March 2022, the entity had an accumulated surplus of R 80,533,129 and that the entity's total assets exceed its liabilities by R 80,533,129.

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

The Board considered the impact of COVID-19 measures on SAQA's financial sustainability and has also prepared a detailed cash flow projection for the foreseeable future to support the going concern principle. In arriving at this, the Board took into account the responsibility of the Minister of Higher Education Science and Innovation, in terms of the NQF Act, to fund SAQA's functions

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## 31. Subsequent Events

Non-adjusting events requiring disclosure that occurred after the reporting period.

- **Nature of the events**

Approval granted by the Minister to sell SAQA Building after year-end.

During the period under review, the entity requested approval to sell the building from the Minister of Higher Education, Science and Innovation as per section 54(2) of the PFMA, after year-end. The Minister approved the sale.

- **Estimation of its financial impact/effect**

This is a Non-Adjusting event as the property was used by the owner for administration purposes and therefore cannot be reclassified as property held for sale and as at year-end. The entity will start with the process of advertising the sale of the building in the 2022/23 financial year.

## 32. Change in Accounting Estimate

### Impact of changes in accounting estimates

Increase in net surplus	933,433	39,213
Decrease in depreciation on Furniture and Fixtures	(45,983)	-
Decrease in depreciation Motor Vehicle	(13,026)	-
Decrease in depreciation intangibles	(503,383)	-
Decrease in depreciation on IT Equipment	(342,600)	(38,865)
Decrease in depreciation on Buildings	(28,441)	(348)
	<u>-</u>	<u>-</u>

In the previous financial year, management re-assessed the remaining useful lives and residual values of property, plant and equipment and intangible assets. The change in estimate was applied prospectively. The effect of this assessment has decreased the depreciation and amortisation charges in the current and for future periods by R933,433 for 2021/22.

## 33. Investment Property/Operating Lease - Lessor

The Authority leased a portion of SAQA House parking space 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 parking space is treated as an operating lease of property, plant and equipment. The parking lease agreement is on a Month-to-month basis renewable after every 12 months.

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### 34. Fruitless and Wasteful Expenditure

Opening balance as previously reported	-	49,820
<b>Opening balance as restated</b>	-	<b>49,820</b>
Less: Amounts recoverable - current	-	(49,820)
<b>Closing balance</b>	-	-

There was no fruitless and wasteful expenditure incurred and reported for the period under review. The SAQA has assessed the level of materiality to be:

- any amount which arises from criminal conduct.
- R 1 and above which results from irregular, fruitless or wasteful expenditure caused by gross negligence; or
- R 959,150 and above, is above approximately 0,75% of total expenditure for the 2020/21 financial year for any other transactions.

The Board has decided that any transaction covered by section 54(2) of the Public Finance Management Act more than R 2 million be reported on, being:

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

### 35. Irregular Expenditure

Details of irregular expenditure:

An irregular expenditure of R 496 800 was incurred in the current financial year and comprises of a non-responsive request for a quotation awarded amounting to R 496 800.

### 36. Commitments

#### Commitment and Contracted

IT Related Costs	21,971,481	6,304,133
Facilities Costs	18,251,098	23,500,889
Professional Services	8,717,816	8,248,610
Advertisement and Advocacy	-	2,705,842
	<b>48,940,395</b>	<b>40,759,474</b>

Commitments included above are contractual commitments that SAQA has already entered into for the coming financial years:

#### Tenders approved but not contracted

IT-Related Costs - 2,500,000

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## 37. Reconciliation between budget and cash flow statement

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities:

### Operating activities

Actual amount as presented in the budget statement

85,180,217 3,000,000

Timing differences

(41,359,758) (208,933)

**Net cash flows from operating activities**

**43,820,459 2,791,067**

### Investing activities

Actual amount as presented in the budget statement

(3,325,000) (7,876,549)

Timing differences

(3,292,800) 5,846,787

**Net cash flows from investing activities**

**(6,617,800) (2,029,762)**

### Financing activities

Actual amount as presented in the budget statement

(259,719) -

Timing differences

152,774 -

**Net cash flows from financing activities**

**(106,945) -**

**Net cash generated from operating, investing and financing activities**

**37,095,714 761,305**

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## 38. Budget differences

### Material differences between budget and actual amounts

#### 38.1 Revenue

Revenue from exchange transactions

The revenue from exchange transactions is favourable by an aggregated amount of R 12,4 million (32% vs budget) due to the following main contributors:

- **Foreign qualification evaluation** fees have a favourable variance of R 8,9 million against the budget due to the effort made in reducing deferred income and by applying the Prescription Act to old deposits.
- **Verification fees** are favourable to the budget by R 1,5 million due to an increase in the number of applicants requiring our services.
- **Sundry income**

Sundry income received exceeds the budget by R 374,000 due to additional income received for the implementation of the refugee project as per the agreement between SAQA and World Education Services.

#### Revenue from non-exchange transactions

The revenue from non-exchange transactions is favourable by an aggregated amount of R 4,3 million due to the amount of savings retained from prior years. This amount is committed to the Automation project.

#### Income Automation Project

An amount of R 9,8 million has been received from DHET as at year-end this is for the grant received earmarked for the automation project and an amount of R 5,7 million was recognised as income matching with the expenditure incurred on the project, the balance of R 4,1 million was deferred to the statement of financial position.

#### Performance bonus

A performance bonus is a short-term employee benefit that is expensed as the related services are provided. A liability is recognised for the amount expected to be paid if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably. Liability for a performance bonus is raised on the estimated amount payable in terms of the incentive scheme, which is based on the employee's performance in the applicable year. Performance bonuses are expected to be settled within 12 months from the reporting date. Management has decided not to declare any bonuses for the financial year under review.

#### 38.2 Expenditure

##### Employee related costs

A favourable balance of R 7,7 million was realised due to redesign/ alignment to the new organisational structure and a reversal of provision for retrenched employees amounting to R8,6 million paid in the current financial year.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## 38. Budget differences (Continued)

### General expenses

The general expenses are favourable by an aggregated amount of R 24 million (49% vs budget) mainly due to the following:

-Bank Charges decreased due to the number of transactions for deposits and payments processed.

**Computer application development** - The actual operating expenditure incurred to date amounts to R2,8 million as well as capital expenditure of R2,9 million, the expenditure is related to the automation project which is currently being implemented, most of the expenditure will be realised in the new financial year. Funds for the automation projects are ringfenced and will be part of the rollover request to the National Treasury.

### 38.3 Property Plant and Equipment

Additional assets to the value of R6,9 million were bought in the current financial year. This includes an amount of R366,662 relating to finance leased assets that were recognised in the statement of financial position.

### 38.4 Differences between budget and actual amounts basis on preparation and presentation

The approved budget covers the period from 1 April 2021 to 31 March 2022, which is based on the MTEF budget allocation that is published in the Estimation of National Expenditure by the National Treasury. The budget and the accounting bases differ. The annual financial statements for the SAQA are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance. The annual financial statements differ from the budget, which is approved on a cash basis and which deals only with the general government sector that excludes government business enterprises and certain other non-market government entities and activities.

The amounts in the annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget.

## 39. Changes in accounting policy

The annual financial statements have been prepared in accordance with the standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following newly effective standards.

- GRAP 20: Related Parties
- GRAP 109: Accounting by Principals and Agents

The standards were effective for years beginning on or after 1 April 2019. The change has been accounted for retrospectively where required by GRAP. It will have no impact on the statement of financial position, statement of financial performance and statement of cashflows.



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### 40. Reclassification

Where necessary, certain comparative figures have been reclassified to conform to the current year's presentation (see Notes 12,13,44,20,22 and 44).

### 41. Accounting by Principals and Agents

#### Reconciliation of balances

Opening balances	-	159,876
Add: income received/Receivable	380,298	2,000,000
Less: Expenses incurred	(295,498)	(2,005,110)
Less income recognised	-	(154,766)
	<b>84,800</b>	<b>-</b>

In terms of the National Qualifications Framework (NQF) Act 67 of 2008, the Council on Higher Education (CHE) is obliged to provide data about learner achievements in Higher Education, both public and private, to the National Learners' Records Database (NLRD), operated by SAQA. For public universities, this is done via the Higher Education Management Information System (HEMIS) of the Department of Higher Education and Training (DHET). The information for Private Higher Education Institutions (PHEI's) has been managed through the HEQCIS for the CHE based on SAQA's experience in running the NLRD.

#### Nature of relationship

SAQA is the principal and is responsible for extracting, relevant datasets requested by the CHE for its analysis work and submitting the data extracts to the CHE in the required format on times specified by the CHE.

CHE is the agent and its responsibility is to perform the quality assurance function as a Quality Council, before submitting data to the NLRD.

The old agreement ended on 31 March 2021 and the parties signed a new agreement in December 2021 which expires in March 2023.

### 42. Contingent Liabilities

#### Labour issues

CCMA case for 34 former staff members retrenched	23,901,444	-
Labour court case: Manager Client Services	855,594	-
Labour court case: Former employee dismissed	390,724	-
	<b>25,147,762</b>	<b>-</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2022

2021

## 42. Contingent liabilities (continued)

### CCMA CASES

#### Matter 1: Claim for SAQA staff members retrenched

Following the retrenchment of employees implemented by SAQA in May 2021 in line with section 189 of the Labour Relations Act, 34 former staff members lodged a claim at the CCMA claiming unfair labour practice. As at the date of this report, the matter has not progressed following a referral from the CCMA to the Labour Court.

### LABOUR COURT CASE

#### Matter 2

This relates to the former Manager of Client services who was retrenched, the applicant is seeking 12 months' salary plus 7% interest.

#### Matter 3

The applicant referred the matter to the labour court on 22 February 2022, the statement of defence was finalised and lodged in March 2022, and the estimated compensation is 12 months' salary

Additional text

## 43. Financial Assets by Category

### Financial assets at amortised cost

Cash and cash equivalents  
Receivables from exchange transactions

	2022	2021
Cash and cash equivalents	62,178,022	25,082,308
Receivables from exchange transactions	2,666,964	3,048,590
	<b>64,844,986</b>	<b>28,130,898</b>

## SUPPLEMENTARY INFORMATION

### 1. Financial liabilities at amortised cost

	2022	2021
<b>Financial liabilities at amortised cost</b>		
Finance leases	259,719	-
Payables from exchange transactions	4,517,680	18,199,077
	<u>4,777,399</u>	<u>18,199,077</u>

### 2. The following table presents the gains or losses per financial instrument category:

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2022</b>			
Interest revenue	1,249,631	-	1,249,631
Finance costs	-	-	-
	<u>1,249,631</u>	<u>-</u>	<u>1,249,631</u>

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2021</b>			
Interest revenue	1,020,611	-	1,020,611
Finance costs	-	-	-
	<u>1,020,611</u>	<u>-</u>	<u>1,020,611</u>

## SUPPLEMENTARY INFORMATION

### 3. The following table reflects SAQA's exposure to liquidity risk from financial liabilities: Exposure to risks: Liquidity risk

The entity minimises this risk by ensuring that enough working capital (cash reserves and short-term receivables) are available to cover its current liabilities through the analysis of the commitments against the cash available in our current and investments accounts.

	2022 Gross	Impairment	2021 Gross	Impairment
<b>Cash and cash equivalents</b>				
- Neither past due nor impaired	62,178,022	-	25,082,308	-
<b>Receivables</b>				
Past due but not impaired	710,792	-	718,547	-
Neither past due nor impaired	1,002,832	-	2,329,975	-
	<b>63,891,646</b>	<b>-</b>	<b>28,130,830</b>	<b>-</b>

The following table provides information regarding the maturity analysis of SAQA's contractual undiscounted cash flows for its payables

2022	Carrying amount	Total Contractual cashflows	Not later than one year	2-5 years
Finance lease liabilities	259,719	259,719	183,329	76,390
Payables	4,517,680	4,517,680	-	-
	<b>4,777,399</b>	<b>4,777,399</b>	<b>183,329</b>	<b>76,390</b>

2021	Carrying amount	Total Contractual cashflows	Not later than one year	2-5 years
Finance lease liabilities	-	-	-	-
Payables	18,199,077	18,199,077	-	-
	<b>18,199,077</b>	<b>18,199,077</b>	<b>-</b>	<b>-</b>

### Exposure to risk: Market risk

#### Interest rate risk

#### The concentration of interest rate risk

#### Variable-rate instruments

Financial assets			62,178,022	25,082,308
Financial liabilities			(259,719)	-
			<b>61,918,303</b>	<b>25,082,308</b>

#### Fixed-rate instruments

Financial assets: Accounts receivable			2,666,964	3,048,590
Financial liabilities: Accounts payable			(4,517,680)	(18,199,077)
			<b>(1,850,716)</b>	<b>(15,150,487)</b>





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