



# 2022 | ANNUAL 2023 | REPORT



# CONTENTS

<b>PART A: GENERAL INFORMATION</b>	<b>03</b>	<b>PART C: GOVERNANCE</b>	<b>44</b>
1. SAQA'S General Information	03	1. Introduction	45
2. List of Abbreviations/Acronyms	03	2. Portfolio Committees	45
3. Foreword by the Board Chairperson	04	3. Executive Authority	46
4. Chief Executive Officer's Overview	06	4. Accounting Authority/The Board	46
5. Statement of Responsibility and Confirmation of the Accuracy of the Annual Report	08	5. Functions of the Board	48
6. Strategic Overview	09	6. Activities of the Board and its committees	49
7. Legislative And Other Mandates	10	7. Risk Management	57
8. Organisational Structure	13	8. Internal Audit And Audit Committees	58
<b>PART B: PERFORMANCE INFORMATION</b>	<b>14</b>	9. Compliance With Laws And Regulations	60
1. Auditor-General's Report: Predetermined Objectives	15	10. Fraud and Corruption	60
2. Overview of Performance	15	11. Minimising Conflict of Interest	60
2.1 Service Delivery Environment	15	12. Code of Conduct	61
2.2 Organisational Environment	16	13. Health, Safety and Environmental Issues	61
3. Progress Towards Achievement of Institutional Impacts and Outcomes	20	14. Social Responsibility	62
4. Institutional Programme Performance Information	22	15. Social Media Outreach	64
<b>4.1 PROGRAMME 1</b>	<b>22</b>	16. Audit Committee Report	65
<b>4.2 PROGRAMME 2</b>	<b>30</b>	17. B-BBEE Compliance Performance Information	67
<b>4.3 PROGRAMME 3</b>	<b>33</b>	<b>PART D: HUMAN RESOURCE MANAGEMENT</b>	<b>68</b>
<b>4.4 PROGRAMME 4</b>	<b>37</b>	1. Introduction	69
<b>4.5 PROGRAMME 5</b>	<b>38</b>	2. Human Resources Oversight Statistics	69
5. Revenue Collection	41	<b>PART E: PFMA COMPLIANCE REPORT</b>	<b>74</b>
6. Capital Investment	42	1. Irregular, Fruitless And Wasteful Expenditure and Material Losses	75
		2. Late And/Or Non-Payment Of Suppliers	78
		3. Supply Chain Management	78
		<b>PART F: FINANCIAL INFORMATION</b>	<b>80</b>



## 01 SAQA'S GENERAL INFORMATION

<b>Registered Name:</b>	South African Qualifications Authority	<b>Website:</b>	www.saqa.org.za
<b>Physical Address:</b>	SAQA House, 1067 Arcadia Street, Hatfield, Pretoria, 0083	<b>External Auditors:</b>	Auditor-General, South Africa
<b>Postal Address:</b>	PostNet Suite 248, Private Bag X06, Waterkloof, Pretoria, 0145	<b>Bankers:</b>	Standard Bank, Pretoria
<b>Telephone Number:</b>	+27 12 431 5000		
<b>Email:</b>	saqainfo@saqa.co.za		

## 02 LIST OF ABBREVIATIONS /ACRONYMS

<b>AG</b>	Auditor-General	<b>ICT</b>	Information and Communications Technology	<b>PPE</b>	Property, Plant and Equipment
<b>APP</b>	Annual Performance Plan	<b>I&amp;IT</b>	Information and Information Technology	<b>POPIA</b>	Protection of Personal Information Act
<b>ASB</b>	Accounting Standards Board	<b>IGRAP</b>	Interpretation of the Standards of Generally Recognised Accounting Practice	<b>PSET</b>	Post-School Education and Training
<b>CBLT</b>	Competency-Based Learning and Teaching	<b>King IV</b>	Report on Corporate Governance for South Africa 2016	<b>QC</b>	Quality Council
<b>CFO</b>	Chief Financial Officer	<b>M&amp;E</b>	Monitoring and Evaluation	<b>QCTO</b>	Quality Council for Trades and Occupations
<b>CHE</b>	Council on Higher Education	<b>MTEF</b>	Medium Term Expenditure Framework	<b>RPL</b>	Recognition of Prior Learning
<b>COVID-19</b>	Coronavirus Disease 2019	<b>MTN</b>	Mobile Telecommunication Network	<b>SAQA</b>	South African Qualifications Authority
<b>CPD</b>	Cash for Public Deposits	<b>MTSF</b>	Medium Term Strategic Framework	<b>SAQA Act</b>	South African Authority Act (Act No. 58 of 1995) South African
<b>DHET</b>	Department of Higher Education and Training	<b>NLRD</b>	National Learners' Records Database	<b>SCM</b>	Supply Chain Management
<b>DPME</b>	Department of Monitoring and Monitoring	<b>NQF MIS</b>	National Qualifications Framework Management Information System	<b>THENSA</b>	Technology Higher Education Network South Africa
<b>DUT</b>	Durban University of Technology	<b>NQF Act</b>	National Qualifications Framework Act (Act No. 67 of 2008, as amended)	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>EE</b>	Employment Equity	<b>OQSF</b>	Occupational Qualifications Sub-Framework	<b>UMALUSI</b>	Council for Quality Assurance in General and Further Education and Training
<b>ENE</b>	Estimation of National Expenditure	<b>PAIA</b>	Promotion of Access to Information Act (2000)	<b>VAT</b>	Value Added Tax
<b>ETDP SETA</b>	Education, Training and Development Practices SETA	<b>PB</b>	Professional Body	<b>WIL</b>	Work-Integrated Learning
<b>GPS</b>	Governance, People and Strategy	<b>PD</b>	Professional Designation		
<b>GRAP</b>	Generally Recognised Accounting Practices	<b>PFMA</b>	Public Finance Management Act (Act No. 1 of 2009)		
<b>HERE</b>	Higher Education Reform Experts				
<b>HERESA</b>	Higher Education Reform Experts South Africa				
<b>HEQSF</b>	Higher Education Qualifications Sub-Framework				



Professor Peliwe Lolwana  
Board Chairperson

## FOREWORD BY THE BOARD CHAIRPERSON

*The seventh Board appointed Ms Nadia Starr as the Chief Executive Officer of SAQA on 1 December 2022. Having previously served as a SAQA Board member and having extensive experience in the education and training space, we are confident that Ms Starr will lead SAQA through a period of renewal and excellence. The Board recognises SAQA's achievements in getting a clean audit for the 2022/23 financial year.*

Following the consultative workshops that took place in the 2021/22 financial year, the SAQA Board continues to grapple with an NQF that is relevant for our times, that caters for the needs of all in South Africa. A series of engagements has culminated in a board approved NQF review which will commence in the 2023/24 financial year. Among other things, the review will consider the role of professional bodies in the NQF.

SAQA continues to deal with service delivery challenges in its Authentication Services unit. Much of this will be addressed through the implementation of the automation project. SAQA also aims to improve the registration turn-around times, this will be achieved through the development of the end-to-end registration system. Increased efficiency will be achieved through greater cohesion within the NQF family.



---

Professor Peliwe Lolwana  
**Board Chairperson**





**Nadia Starr**  
Chief Executive Officer

## CHIEF EXECUTIVE OFFICER'S OVERVIEW

*It has been my great pleasure to take up the role of Accounting Officer in the year under review. In this year, we have focussed on rebuilding and stabilising SAQA while improving the culture and efficiency within our operations.*



SAQA plays a critical role in the education and training landscape as the body with oversight for the National Qualifications Framework (NQF). Our NQF, rooted in social justice and equity has for many years served as a beacon of inspiration on the African Continent and globally. In the year under review, we have worked to re-establish relationships and knowledge sharing and I hope to sustain and enhance these engagements in the coming year, particularly with our counterparts on the continent.

In the 2022/23 financial year, SAQA transitioned through a period of significant disruption and financial constraints that resulted in loss of institutional memory and efficiency. However, we used this as an opportunity for us to reinvent and shape SAQA into an organisation ever more driven by service excellence and efficiency. To this end, resources have been and continue to be channelled towards fully automating our functions and building systems and funding models that enable greater sustainability.

Even with the many challenges we faced, I am pleased to report that SAQA has still managed to achieve 87.5% of its annual delivery targets and received a clean audit opinion from the Auditor General of South Africa.

In closing, I want to acknowledge the three former CEOs who have established, enhanced and sustained SAQA over the last three decades and assure them severally and collectively of my commitment to the ongoing NQF project.

I would also like to thank the entire SAQA team, who despite enormous challenges and constraints, have kept the NQF alive and who continue to service our stakeholders and the country with passion and integrity. Finally, my thanks to the SAQA Board for their ongoing support and commitment.



---

Ms Nadia Starr  
**Chief Executive Officer**



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

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP), issued by the Accounting Standards Board and applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the South African Qualifications Authority for the financial year ended 31 March 2023.

Yours faithfully



**Chief Executive Officer**  
Ms Nadia Starr  
31 August 2023



**Chairperson of the Board**  
Professor Peliwe Lolwana  
31 August 2023

## 06 STRATEGIC OVERVIEW



### VISION

A world-class national qualifications framework that works for the people in South Africa.



### 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.



### VALUES

SAQA regards the NQF as a framework for communication, coordination and collaboration across education, training, development, and work. SAQA's staff commitment expressed in the SAQA Staff Declaration underpins its work.

#### SAQA staff commit to serve 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 over the next five years.



### 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.

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.

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.

“  
*Focus should also be on the youth in giving them the necessary skills to be productive in the workforce.*  
”

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

As a Schedule 3A 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, 2022.

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:

1. The National Development Plan 2030;
2. The DHET's Medium Term Strategic Framework (2020-2025);
3. The White Paper for Post-School Education and Training (November 2013); and
4. Priorities and Guidelines for the NQF and other directives from the Minister of Higher Education, Science, and Innovation.

### 1. 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; and
- 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 (Capabilities of South Africans) of the 3 NDP pillars.

## 2. Medium Term Strategic Framework (MTSF)

Cabinet approved its Revised Medium Term Strategic Framework 2019-2024 in September 2021.

“The Revised MTSF 2019-2024 continues to reflect government’s plan of action over the remaining term of the sixth administration. The Revised MTSF 2019-2024 also prioritises government commitments to prevail over the coronavirus pandemic and to work towards recovery. These commitments were outlined in the 2021 State of the Nation Address and include the following focus areas: First, to defeat the coronavirus pandemic; Second, to accelerate our economic recovery; Third, to implement economic reforms to create sustainable jobs and drive inclusive growth; And finally, to fight corruption and strengthen the capacity of the state. These commitments are included in the Revised MTSF 2019-2024 and will provide the focus for annual plans.”  
– Revised MTSF, page 3.

### Priority 2 refers to Education, skills, and health.

With respect to post-school education and training, the Revised MTSF states: “...there is also a need to force the more rapid adoption of innovative delivery models and methods, such as distance and digital learning, alternative and more efficient degree structures, improved institutional models, and approaches to improve quality and throughput.”

Focus should also be on the youth in giving them the necessary skills to be productive in the workforce, in the 4IR era. With great emphasis being placed on early childhood development and basic education, having capable and committed teachers is an imperative.

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

## LEGISLATIVE AND OTHER MANDATES

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.

### 3. South African Economic Reconstruction and Recovery Plan

The outbreak of the COVID-19 pandemic in March 2020 found a vulnerable South African economy. The South African Economic Reconstruction and Recovery Plan (ERRP) sets out a reconstruction and recovery plan for the South African economy that is aimed at stimulating equitable and inclusive growth.

In terms of the Plan, the following priority interventions will be made:

- Aggressive infrastructure investment;
- Employment orientated strategic localisation, reindustrialisation and export promotion;
- Energy security;
- Support for tourism recovery and growth;
- Gender equality and economic inclusion of women and youth;
- Green economy interventions;
- Mass public employment interventions;
- Strengthening food security; and
- Macro-economic interventions.

SAQA is committed to playing its role in the economic recovery of the country by contributing to the repurposing of state-owned enterprises (SOEs) through its organisational redesign. SAQA's restructuring has improved institutional efficiencies through automation and has promoted job creation through its authentication services, the registration of relevant and quality qualifications and the recognition of professional bodies.

In line with the ERRP and other national priorities, SAQA also contributes towards gender equality and economic inclusion of women and youth. SAQA's employment equity targets are transformative as seen in the higher targets set for women, over men. SAQA continues to meet these targets as seen in Section 7.2b and 7.2c below.

One of the critical enablers of the ERRP is a focus on communication and the digital economy, which among other things, can lower business costs and enable better service delivery. SAQA's Authentication Services have moved online, which has contributed to both reduced costs and improved service delivery. SAQA uses social media platforms to inform the public about the NQF and other developments related to education, training, and the workplace, thereby showing the organisation's commitment to embracing digital communication.

### 4. Policy Initiatives

SAQA, as the organisation responsible for overseeing the further development and implementation of the NQF, will work with its NQF partners to ensure implementation of the following NQF-related policies and criteria:

- National Qualifications Framework (NQF) Level Descriptors (2012);
- Policy and Criteria for the Registration of Qualifications and Part-Qualifications on the National Qualifications Framework, as amended (2020);
- National Policy and Criteria for Designing and Implementing Assessment for NQF Qualifications and Part-Qualifications and Professional Designations in South Africa (2014);
- National Policy and Criteria for the Implementation of the Recognition of Prior Learning, as amended (2019);
- Policy and Criteria for Credit Accumulation and Transfer (CAT) within the National Qualifications Framework (NQF) as amended (2021);

- Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the purposes of the National Qualifications Framework Act, Act 67 of 2008, as amended (2020);
- Policy and Criteria for Evaluating Foreign Qualifications within the South African NQF, as amended (2017);
- Addendum on the Recognition of Qualifications of Refugees and Asylum Seekers (2019);
- Draft National Policy on the Misrepresentation of Qualifications (2019);
- NQF Implementation Framework 2020/21-2024/25;
- System of Collaboration 2019; and
- The Articulation Policy for the Post-School Education and Training System of South Africa (2017); and Recognition of Prior Learning (RPL) Coordination Policy (2016).

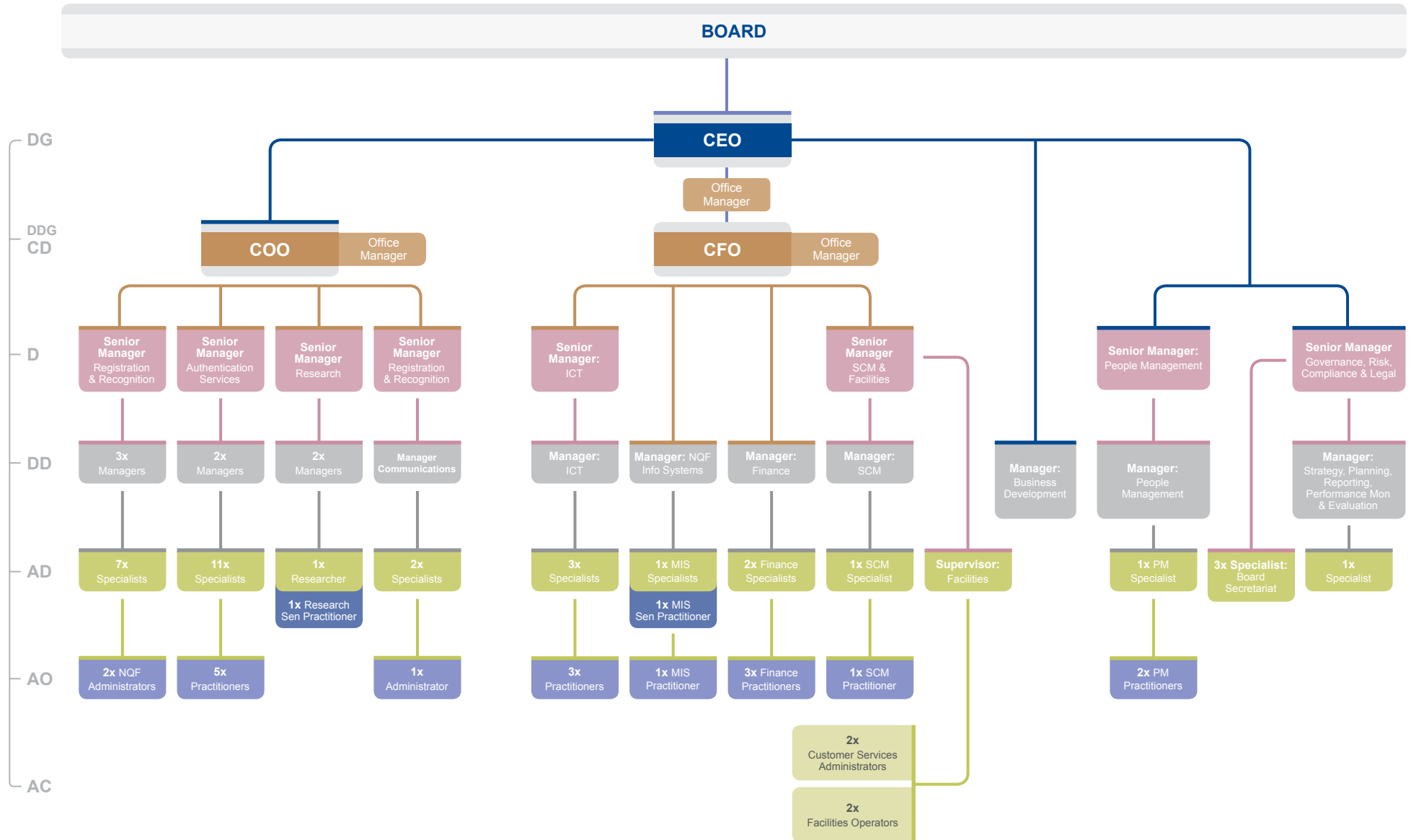
SAQA reviews its policies periodically to ensure currency and alignment to legislation. In 2022/23, SAQA continued to refine the Policy on the Misrepresentation of Qualifications and will publish the policy after the President proclaims the NQF Amendment Act, 2019.

“

*SAQA is committed to playing its role in the economic recovery of the country by contributing to the repurposing of state-owned enterprises.*

”

# 08 ORGANISATIONAL STRUCTURE





# PART B: PERFORMANCE INFORMATION



## 01 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of 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 Part F.

## 02 OVERVIEW OF PERFORMANCE

### 2.1. Service Delivery Environment

#### Identifying challenges and providing interventions

**Registration of qualifications:** In some instances, lengthy periods are required to register qualifications on the NQF. One of the reasons for the extended time taken in the registration process, is that SAQA does not receive all the required information from the quality councils (QCs) or receives incorrect information. The root cause of this problem is that SAQA and the QCs use independent systems to carry out their respective roles and tasks in this continuum of work. The DPME's (2018) NQF Act Implementation Evaluation highlighted this problem and recommended remedial action in the NQF Improvement Plan based on the recommendations from the evaluation study. One of the deliverables in the NQF Improvement Plan is the development and implementation of an end-to-end workflow system that will allow providers to load information simultaneously for the SAQA, DHET and QC parts of the process. This intervention requires additional funding that DHET has committed to securing. Considering SAQA's financial situation, this project will be on hold until the necessary funding becomes available.

**Professional bodies:** There are challenges due to the pre-NQF legislation that governs statutory professional bodies – some of which dates to the 1950s and which conflicts with or duplicates SAQA and QC functions under the NQF Act. The risk to SAQA is that statutory bodies encroach on the roles of SAQA and the QCs, causing legal challenges, system inefficiency and duplication of work. As a result, SAQA becomes embroiled in unnecessary litigation. One of the recommendations of the DHET with the support of DPME's (2018) NQF Act implementation Evaluation, was for SAQA to analyse the extent of the conflicts and overlaps across the NQF and statutory professional body legislation. This analysis was concluded in 2020, the DHET, SAQA and the QCs engaged around the findings in 2020 and 2021. The recommendations of the analysis affect 10 government ministries and as a result, a memo on the matter has been submitted to Parliament. In addition, acknowledging the time needed to change legislation, the CHE has commenced a system of memoranda of understanding (MoUs) with statutory professional bodies under which these professional bodies carry out their quality assurance role during the qualifications development process. This initiative serves to strengthen the quality of qualifications registered on the

NQF and highlights the quality and communication roles that professional bodies play in the NQF context.

**The NQF MIS (incorporating the NLRD):** The NQF MIS is an extensive and comprehensive management information system of multiple databases and registers. The most significant challenge regarding the NQF MIS is its incomplete or missing datasets in particular sub-sectors and certain aspects. Since the NQF MIS (incorporating the NLRD) is the official management information system of the NQF, it is of critical importance to ensure that it has complete sets of all learner achievements and other data sets required. SAQA will meet this objective if it:

- (i) accommodates all the data subsets and advocates the use of its formats;
- (ii) ensures that the QCs, through their data suppliers, load information onto the NQF MIS; and
- (iii) encourages the QCs to locate historical records, digitise these records and load them on a timely basis onto the NQF MIS.

## OVERVIEW OF PERFORMANCE

This digitisation process requires additional resources. Amendments to the NQF Act, once enforced, will support the timeous provision of data to SAQA.

**Authentication and recognition services (incorporating SAQA's qualification achievement verification and evaluation services):** SAQA currently verifies national qualifications, and evaluates and verifies foreign qualifications. The NQF Amendment Act is expected to increase the demand for these services. These are paid services, and SAQA uses this revenue to supplement its government funding. SAQA does not have the resources to increase its employee headcount any further in these areas. It is therefore essential to automate and streamline the processes involved – as far as funding permits – so that these services are offered timeously and in line with service standards.

**Under the NQF Amendment Act, the QCs must consult SAQA whenever they advise the Minister on matters relating to their NQF Sub-Frameworks:** The QCs do not accept this requirement readily. The QCs' reluctance to give up their rights to direct communication with the Minister of Higher Education, Science, and Innovation, could prove challenging. SAQA must strengthen its relationships with the leadership of the QCs and be highly responsive and collaborative when asked to comment on advice for the Minister, including the QCs in the discussions around any advice that directly impacts their work. Inroads and improved relationships have been noted in this regard, and SAQA intends to continue to develop the SAQA-QC community of practice and trust.

**SAQA provides information about the NQF to the public:** SAQA is working with the NQF partners and stakeholders to raise awareness of NQF policy, implementation initiatives and services. One challenge is

that at times, NQF stakeholder entities convey conflicting messages to the public. The public does not always know about the services available, or trusted information sources, or which NQF entity is responsible for specific services. It is therefore crucial for SAQA to continue to drive and enhance the NQF advocacy and communication strategy and ensure that the NQF partners communicate with one voice. To this end, it is essential that there be one portal with information about all the NQF partners and entities, and some planned joint campaigns. SAQA and the QCs are in discussion about a single portal for communication.

### 2.2. Organisational environment

The three issues that significantly impact on SAQA's sustainability and service delivery are SAQA's post-disruption realities, funding challenges and automation.

SAQA finds itself in a post-disruption period, in which it is contending with the loss of institutional memory and expertise as a result of section 189A retrenchments during 2021. In response to this reality, SAQA is focusing on rebuilding a strong organisational culture and, on having a well capacitated organisation with the right people, in the right places throughout the organisation. All critical vacancies have been filled and the groundwork has been laid for a productive entity.

Funding and organisational sustainability are a perennial challenge for SAQA. Although SAQA receives 63% of its budget from voted government funds, it must raise the balance of funds through the provision of paid services. This means that much of SAQA's attention and focus is on income generation, which draws efforts away from its mandated functions. The current funding model therefore should be reviewed.

“

*At the heart of SAQA, is a unit that is responsible for registering qualifications and part-qualifications on the NQF.*

”

SAQA continues to strive towards improving the efficiency of its service delivery through streamlining internal processes. SAQA invested in an automation project in 2021. SAQA plans to pilot some modules in the 2023/24 financial year and has adopted an iterative approach to release modules as they are completed.

At the heart of SAQA, is a unit that is responsible for registering qualifications and part-qualifications on the NQF, recognising professional bodies, and registering professional designations. The demand for these services continues to grow as the learning and work environments change.

### 2.3. Key policy developments and legislative changes

There were no major changes to relevant policies or legislation.



SAQA Senior Managers

## Performance Summary

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




















	CHE	QCTO	Umalusi	Total
 # qualifications registered on NQF	209	85	-	294
 # qualifications amended	9	-	2	11
 # qualifications returned	62	75	-	137
 Extension of the last date of enrolment and last date of achievement	109	-	-	109
 # re-registered qualifications	795	15	-	810
 # qualifications de-registered from NQF	10	137	2	149
 Total	1 194	312	4	1 510

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











Learners	Achievements
659 307 # Learners 	719 140 # Qualification achievements 
712 631 # Learners who achieved anything through RPL 	3 131 708 # Part-qualification achievements 
	8 299 # Qualification achievements through RPL 
	51 768 # Other achievements through RPL 
	12 166 # People awarded professional designations 

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

National Qualifications	Year to date	
	86 448	# Achievement records verified 
5 831	# Verification letters issued 	

Foreign Qualifications	Year to date	
	13 826	# Qualification achievements verified 
	11 515	# Qualification achievements recognised 
8 775	# eSCoE issued 	

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

National Qualifications 				
	SAQA	42	# Records identified in the year	4 219 Total # records on the NLRD
	QCTO	486	# Records identified in the year	1 008 Total # records on the NLRD
	Umalusi	145	# Records identified in the year	145 Total # records on the NLRD
	<b>TOTAL</b>	<b>673</b>	<b># Records identified in the year</b>	<b>5 372 Total # records on the NLRD</b>
Foreign Qualifications 				
	# Qualifications	23	# Records identified in the year	1 742 Total # records on the NLRD
	# SCoE	20	# Records identified in the year	1 774 Total # records on the NLRD
	Total Foreign	43	# Records identified in the year	3 516 Total # records on the NLRD
	<b>TOTAL</b>	<b>716</b>	<b># Records identified in the year</b>	<b>8 888 Total # records on the NLRD</b>

## 03 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Since the organisational re-structuring in May 2021, SAQA has had three divisions with five programmes as outlined in the table.

PROGRAMME	SUB-PROGRAMME	STRATEGIC OUTCOME/S
1 ADMINISTRATION	1.1 <i>Executive Office</i> : responsible for oversight of the overall organisational performance and SAQA's international initiatives.  <b>Includes:</b> a. International Stakeholders sub-unit	<ul style="list-style-type: none"> <li>We have visionary and influential leadership that drives a clear, evidence based NQF agenda.</li> </ul>
	1.2 <i>Finance and Administration</i> : responsible for effective financial and infrastructural governance and resources to support SAQA's objectives.	<ul style="list-style-type: none"> <li>We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF.</li> </ul>
	1.3 <i>Governance, People and Strategy</i> : 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.  <b>Includes:</b> a. People Management unit b. Strategy, Reporting and Performance M&E sub-unit c. Governance, Legal and Compliance sub-unit d. Communications sub-unit	<ul style="list-style-type: none"> <li>We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF.</li> <li>We have visionary and influential leadership that drives a clear, evidence based NQF agenda.</li> </ul>
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.	<ul style="list-style-type: none"> <li>We have stakeholders and role-players that are aligned to deliver on the NQF; and</li> <li>We have well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people.</li> </ul>

PROGRAMME	SUB-PROGRAMME	STRATEGIC OUTCOME/S
<b>3 INFORMATION &amp; COMMUNICATION TECHNOLOGY (ICT)</b>	Responsible for effective ICT governance and infrastructural IT resources to support the achievement of organisational objectives and business processes.	<ul style="list-style-type: none"> <li>We have stakeholders and role-players who are aligned to deliver on the NQF.</li> </ul>
	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.	<ul style="list-style-type: none"> <li>We have well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people.</li> <li>We have stakeholders and role-players who are aligned to deliver on the NQF.</li> </ul>
<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.	<ul style="list-style-type: none"> <li>We have a dynamic NQF that is responsive, adapts to, and support the changing needs of lifelong learners.</li> <li>We have well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people.</li> </ul>
<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	<ul style="list-style-type: none"> <li>We have a dynamic NQF that is responsive, adapts to, and support the changing needs of lifelong learners; and</li> <li>We have well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people.</li> </ul>

This report is based on the Annual Performance Plan for 2022/23 that the Executive Authority tabled in Parliament on 20 April 2022.

## 04 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 4.1. Programme 1: Administration

**The Office of the CEO** is responsible for oversight of the overall performance of the authority in response to SAQA's mandate. The Executive Officer'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.

**The Finance and Administration division** is responsible for effective financial and infrastructural governance and resources to support SAQA's objectives. The 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.

**The Governance, People and Strategy division** (previously part of the Executive Office, Human Resources and Advocacy, Communications and Support) fulfils the function of corporate services and 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. The division has the following units/sub-units:

- The People Management unit is responsible for providing human resource support, and for ensuring that SAQA embraces diversity, environmental

sustainability, and social justice, and contributes 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.

- The Communications sub-unit 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.
- The Strategy, Reporting & Performance Monitoring & Evaluation sub-unit 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.
- The Governance, Risk, Compliance and Legal sub-unit 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.

### Programme 1 contributes to achieving three of the five institutional outcomes:

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.





## Programme 1: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

1.1 OFFICE OF THE CEO									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	1. Prominent national, regional, and global standing	<b>SAQA</b> participated in the UNESCO Flexible Learning Pathways project	<b>Exceeded target</b> 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	Identify and implement two initiatives to promote the SA NQF	<b>Target exceeded</b> 9 initiatives to promote the SA NQF. These included collaborations with the German Academic Exchange Services (DAAD) and the African Continental Qualifications Framework (ACQF)	Yes	Most organisations adopted the online approach and thus hosted online initiatives, this gave SAQA opportunities to promote the NQF, especially online	N/A



## 1.1 OFFICE OF THE CEO

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	Sharing of national and international trends and best practices with stakeholders	2. Informed stakeholders	<p><b>Exceeded target</b></p> <ul style="list-style-type: none"> <li>Developed a paper “Case Study of Flexible Learning Pathways in South Africa”, for inclusion in UNESCO’s book on flexible learning pathways</li> <li>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”</li> <li>Produced a paper on foreign school leaving qualifications in SADC and distributed it to the NQF Family through the CEO Committee</li> <li>SAQA hosted four webinars to inform stakeholders about the NQF</li> </ul>	<p><b>Exceeded target</b></p> <p>Implemented six initiatives to share national and international best practice with stakeholders</p>	Identify and implement three initiatives to share national and international best practice with stakeholders	<p><b>Target achieved</b></p> <p>Identified three initiatives to share national and international best practice with stakeholders</p>	No		N/A

## 1.2 FINANCE AND ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	Implementation of Addis Convention	3. Recognition of international studies	<b>Achieved</b> Developed a plan for SAQA to implement the Addis Convention	No target set for this year	Implement SAQA's Implementation Plan for the Addis Convention	<b>Target achieved</b> Year one of WES/ SAQA pilot project was implemented.	No		
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	<b>Achieved</b> <ul style="list-style-type: none"> <li>Developed a strategy to secure alternative funding</li> <li>The Board approved the proposed strategy</li> </ul>	<b>Achieved target</b> <ul style="list-style-type: none"> <li>Implemented the Alternate Funding Plan</li> <li>Generated additional revenue of R13 250 per month through a rental agreement for parking space</li> <li>Generated additional revenue through a contract with Durban University of Technology for R600 000 over three years</li> <li>Received additional income of R 397 202 from World Education Services for a pilot project involving the recognition of refugee qualifications</li> <li>Received additional funding of R9.8 million from DHET for the Automation Project</li> </ul>	Continue to implement the plan to generate funds through alternate revenue streams	<b>Target exceeded</b> <ul style="list-style-type: none"> <li>Additional Funds generated through South African Police Services and KZN Educational Department</li> <li>Rental income from parking space</li> <li>Research projects income and interest from invested funds</li> </ul>	No	N/A	N/A

### 1.3 FINANCE AND ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Visionary and influential leadership that drives a clear, evidence-based NQF Agenda	Strengthened System of Collaboration and NQF structures	5. An effective System of Collaboration and NQF structures	<ul style="list-style-type: none"> <li>Implemented the System of Collaboration to guide mutual relations between SAQA and the QCs and reported on its effectiveness</li> <li>Reviewed the System of Collaboration and amended it as required</li> </ul>	<b>Achieved</b> <ul style="list-style-type: none"> <li>Assessed the effectiveness of the System of Collaboration</li> <li>Produced a report and sent the Board-approved report to the Minister: HESI</li> </ul>	Report on the effectiveness of the System of Collaboration	<b>Target achieved</b> <ul style="list-style-type: none"> <li>Reported on the effectiveness of the System of Collaboration</li> <li>The SAQA Board approved the report for submission to the Minister: HESI</li> </ul>	No	N/A	N/A
					Develop a Monitoring and Evaluation protocol for the System of Collaboration	<b>Target achieved</b> The Monitoring and Evaluation protocol for the System of Collaboration was developed and approved by the CEO Committee	No	N/A	N/A
	Implementation of the closure of transitional arrangements from the SAQA Act to the NQF Act	6. Compliance with the requirements of the NQF Act		<ul style="list-style-type: none"> <li>Completed ahead of schedule</li> <li>In addition to the progress report, SAQA provided advice to the Minister on ending the transitional arrangements</li> </ul>		No target set for this year	N/A	N/A	N/A

### 1.3 FINANCE AND ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Visionary and influential leadership that drives a clear, evidence-based NQF Agenda	Advice to the Executive Authority on NQF matters, including the alignment of relevant Laws	7. Evidence of advice provided to the Executive Authority	Provided advice to the Minister: HET on all requested matters, or as and when deemed necessary	<p><b>Achieved</b></p> <p>SAQA advised the Minister: HESI on the following:</p> <ul style="list-style-type: none"> <li>• Determination of the Sub-Frameworks</li> <li>• Ending the transitional arrangements from the SAQA Act to the NQF Act</li> <li>• The Matriculation Board function</li> <li>• The Board approved advice to the Minister to publish data regulations for submission of information to the NLRD. However DHET advised SAQA not to send the advice until the President had proclaimed the NQF Amendment Act, 2019.</li> </ul>	Advise the Executive Authority on NQF matters as required	<p><b>Target achieved</b></p> <p>Provided advice to the Minister on the Ministerial Determination in Terms of section 74 of The Higher Education Act</p>	No	N/A	N/A

### 1.3 FINANCE AND ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Visionary and influential leadership that drives a clear, evidence- based NQF Agenda	The NQF explained simply (Simplification)	8. Stakeholders access simplified information about the NQF	<b>Exceeded target</b> <ul style="list-style-type: none"> <li>SAQA hosted four webinars focusing on the NQF and two social media campaigns.</li> <li>Followers made <b>2 151 015</b> impressions on SAQA's social media platforms and website</li> </ul>	<b>Achieved Target</b> <ul style="list-style-type: none"> <li>Implemented four online campaigns aimed at informing the public about the NQF</li> <li>1<sup>st</sup> campaign: targeted the youth during Youth month</li> <li>2<sup>nd</sup> campaign was about SAQA's 25th birthday #SAQA25 engagement campaign</li> <li>4<sup>th</sup> campaign: Isikolosiphumile – a TikTok video about registered qualifications in both English and siSwati</li> <li>We also hosted a stakeholder webinar on the NQF and 4IR.</li> <li>Members of the public left 2 242 471 impressions on SAQA's website and social media platforms</li> </ul>	Implement four online campaigns aimed at informing the public about the NQF	<b>Target achieved.</b> <ul style="list-style-type: none"> <li>Implemented four online campaigns aimed at informing the public about the NQF</li> <li>1<sup>st</sup> campaign focused on role of Quality Councils in the NQF Landscape</li> <li>2<sup>nd</sup> campaign was on the verifications process</li> <li>3<sup>rd</sup> campaign focused on the importance of enrolling for registered qualifications</li> <li>4<sup>th</sup> campaign was an extension of Isikolosiphumile. The campaign highlighted the importance of registered qualifications and accredited institutions</li> </ul>	No		

### 1.3 FINANCE AND ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Visionary and influential leadership that drives a clear, evidence-based NQF Agenda	A growing number of learner achievements on the NLRD	9. An increasing number of learners with achievements recorded on the NLRD	<b>Achieved</b> <ul style="list-style-type: none"> <li>The NLRD contains 17 918 214 qualification achievements, 1 191 266 professional designations awarded and 113 886 076 part-qualification achievements</li> <li>The total number of unique learners' records is <b>20 555 731</b></li> </ul>	<b>Achieved Target</b> <ul style="list-style-type: none"> <li>The NQF MIS incorporating the NLRD contained <b>21 365 389</b> learners with achievements</li> </ul>	Ensure that the NLRD contains at least <b>22 000 000</b> learners with achievements	<b>Target achieved</b> <ul style="list-style-type: none"> <li>The NQF MIS incorporating the NLRD contained <b>22 024 262</b> learners with achievements</li> </ul>	No	N/A	A growing number of learner achievements on the NLRD
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	10. SAQA's structure is aligned to deliver on its strategy	<b>Achieved</b> <ul style="list-style-type: none"> <li>Reviewed and re-designed the organisational structure</li> <li>After a series of consultations, the 6th Board approved the proposed macro- structure, and the 7th Board approved the micro-structure for implementation</li> </ul>	<b>Achieved target</b> <ul style="list-style-type: none"> <li>Implemented the new structure</li> <li>Completed two independent monitoring and evaluation exercises and used the results to make adjustments to the structure</li> <li>The SAQA Board approved the current structure</li> </ul>	No target for 2022/23	N/A	N/A	N/A	N/A

### 1.3 FINANCE AND ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
	Staff capacity building programmes	11. Implemented Staff capacity building programmes	All SAQA staff members participated in at least one learning and development activity	<b>Achieved</b> <ul style="list-style-type: none"> <li>Every staff member participated in at least two learning interventions.</li> <li>Recorded activities for 22 learning interventions</li> <li>SAQA sponsored two (2) employees to study towards their formal qualifications</li> </ul>	Every staff member has at least two learning interventions per year	<b>Target achieved</b> Each staff member attended at least two learning interventions during the financial year	No	N/A	N/A

#### Comment on deviations

There was one deviation. The information is provided in Target 1.

#### 4.2. Programme 2: Registration and Recognition

The Registration and Recognition unit is responsible for registering qualifications and part-qualifications, recognising professional bodies, and registering professional designations. This programme contributes to two of the five institutional outcomes:

- 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.



Registration and Recognition Unit



## Programme 2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

2 REGISTRATION AND RECOGNITION									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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)	12. Streamlined processes and improved turnaround times	<p><b>Achieved</b></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> <ul style="list-style-type: none"> <li>Registered in 1 month: 65%</li> <li>Registered in 2 months: 10%</li> <li>Registered in 3 months: 5%</li> <li>Registered in 4 months: 20%</li> </ul>	<p><b>Not achieved</b></p> <ul style="list-style-type: none"> <li>Did not register all qualifications recommended by QCs that met all SAQA's criteria, within four months of submission</li> </ul> <p>Registered 253 qualifications on the NQF:</p> <ul style="list-style-type: none"> <li>Registered in 1 month: 9.0% (23)</li> <li>Registered in 2 months: 41% (104)</li> <li>Registered in 3 months: 36% (92)</li> <li>Registered in 4 months: 12% (31)</li> <li>Non-achieved 1% (3)</li> </ul>	Register qualifications recommended by QCs that meet all SAQA's criteria within three months of submission	<p><b>Target achieved</b></p> <p>Registered 294 qualifications recommended by the QCs for registration within three months</p>	No	N/A	N/A
	Reduced proliferation of qualifications registered on the NQF (Simplified NQF)	13. 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	Produce a concept paper on the registration of national qualifications on the NQF in consultation with the 3 QCs and DHET	<p><b>Target achieved</b></p> <p>SAQA Board approved concept paper on registration of national qualifications on the NQF</p>	No	N/A	N/A

## 2 REGISTRATION AND RECOGNITION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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)	14. Increased number of qualifications that articulate across sub- frameworks	<p><b>Achieved</b></p> <ul style="list-style-type: none"> <li>Identified qualifications with no articulation pathways and requested missing information from the QCs.</li> <li>Updated the records of qualifications on the NLRD where QCs had provided information</li> </ul>	<p><b>Achieved target</b></p> <ul style="list-style-type: none"> <li>All information provided by the QCs have been updated on the system. Tracking grid on qualifications with outstanding pathways is up to date</li> <li>SAQA did not receive any further updates during the year</li> <li>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</li> <li>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</li> </ul>	Track progress made in terms of ensuring that the identified qualifications have articulation pathways across and within sub- frameworks	No target set for this year	N/A	N/A	N/A

## 2 REGISTRATION AND RECOGNITION

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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 refined understanding of a professional body and its value-add in the NQF landscape (Simplified NQF)	15. 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	<b>Target achieved</b> <ul style="list-style-type: none"> <li>The SAQA Board approved the SAQA Professional Body Model derived from the findings of the research report.</li> <li>This model will provide a foundation for working with statutory and non- statutory professional bodies</li> </ul>	Use the research findings to amend the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation if required	<b>Target achieved</b> Used the research findings to amend the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation if required. This Policy and Criteria was then approved by the SAQA Board.	No	N/A	N/A

### Comment on deviations

There was one deviation. The information is provided in Target 1.

### 4.3. Programme 3: Information and Communication Technology

The NQF Management Information System (MIS) sub-unit 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 was previously known as the NLRD Directorate.

The Authentication Services unit is responsible for verifying the authenticity of national qualifications. This function must ensure that it 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. This unit was previously known as the Verifications Project.

Programme 3 contributes to achieving two of the five institutional outcomes:

- 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.



Information and Communication Technology Unit

## Programme 3: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

3.1 INFORMATION COMMUNICATION TECHNOLOGY									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	16. Efficient electronic processes across SAQA	<b>Not achieved</b>	<b>Not achieved</b>	No targets set for this year	N/A	No	N/A	N/A
			<ul style="list-style-type: none"> <li>Developed a separate register for professional designations</li> <li>Developed registers in-house for the Misrepresented Qualifications and Fraudulent Qualifications, but it was not fit for purpose</li> </ul>	Completed the development of the electronic Registers for misrepresented qualifications and fraudulent qualifications as part of the NQF MIS incorporating the NLRD					
	A workflow system for the evaluation of foreign qualifications		No target set in the Revised APP	N/A	Develop an end-to-end electronic system for the evaluation of foreign qualifications	<b>Target achieved</b>	No	N/A	N/A
	A workflow tracking system for qualifications and part- qualifications	17. Integrated Tracking System for qualifications and part- qualifications	<b>Achieved</b>	N/A	No target set for this year	N/A	N/A	N/A	N/A
			<ul style="list-style-type: none"> <li>Conceptualised a workflow tracking system for qualifications and part- qualifications in collaboration with the CHE.</li> <li>The development of the workflow is in progress</li> </ul>						

### 3.1 INFORMATION COMMUNICATION TECHNOLOGY

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	<b>NLRD</b> information for informed decision making	18. Access and use of NLRD (comprising the NLRD) information	<b>Not Achieved</b> 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

### 3.2 INFORMATION COMMUNICATION TECHNOLOGY

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
We have stakeholders and role- players who are aligned	Legacy learner achievement records on the NLRD	19. Percentage completeness of legacy learner achievement data on the NLRD	No target set in the Revised APP		Develop a funding proposal for the digitisation of legacy achievement records	<b>Target achieved</b> Developed a funding proposal for the digitisation of legacy achievement records	No		
To deliver on the NQF	Current learner achievement records on the NQF MIS (comprising the NLRD)	20. Learner achievement records loaded by QCs	No target set in the Revised APP	N/A	Ensure that QCs load learner achievement records on the NQF MIS (comprising the NLRD)	<b>Target achieved</b> All data of acceptable quality loaded on the NQF MIS (comprising the NLRD)	No	N/A	N/A

### 3.2 INFORMATION COMMUNICATION TECHNOLOGY

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
	Professional designations on the NQF MIS (comprising the NLRD)	21. Percentage completeness of learner achievement data from professional bodies on the NLRD	<b>Achieved</b> All recognised professional bodies loaded professional designation achievements that meet the requirements, on the NLRD	<b>Not achieved</b> 96 of the 100 recognised professional bodies loaded data during the 2021/22 financial year	All recognised professional bodies load professional designation achievements that meet the requirements, on the NQF MIS (comprising the NLRD)	<b>Target achieved</b> All recognised professional bodies loaded professional designation achievements that meet the requirements, on the NLRD	No		N/A

### 3.3 NATIONAL LEARNERS' RECORDS DATABASE (NLRD)

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
	Registers of Misrepresented and Fraudulent Qualifications	22. Updated Registers of Misrepresented and Fraudulent Qualifications	<b>Achieved</b> Developed the Policy on the Misrepresentation of Qualifications The Board approved the Policy in December 2020	<b>No target set</b>	Publish the Policy on the Misrepresentation of Qualifications if the President proclaims the NQF Amendment Act, 2019	<b>Target not achieved</b> President has not proclaimed the NQF Amendment Act, 2019	Yes	• The President did not proclaim the NQF Amendment Act, 2019, so the policy could not be published	
			<b>Achieved</b> Updated the List of Misrepresented Qualifications	<b>Achieved target</b> Updated the List of Misrepresented qualifications	Update the Register of Misrepresented Qualifications	<b>Target achieved</b> Updated the List of Misrepresented qualifications	No		N/A
			Updated and reported on the Register of Fraudulent Qualifications	<b>No target set in the Revised APP</b>	<b>No target set for this year</b>	N/A	N/A	N/A	N/A

## Comment on deviations

There was one deviation in Programme 3 for the target Publish the Policy on the Misrepresentation of Qualifications if the President proclaims the NQF Amendment Act, 2019. The deviation is adequately explained in the table above.

### 4.4. Programme 4: Authentication Services

The Authentication Services unit 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 institutional outcomes:

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

### Programme 4: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

4 AUTHENTICATION AND RATIFICATION SERVICES									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	23. Articulation from foreign systems into South Africa takes place	No target set in the Revised APP	<b>Not achieved</b> Did not complete all applications received for the evaluation of foreign qualifications within 3 months	Complete all compliant applications received for the evaluation of foreign qualifications within 3 months	<b>Not achieved</b> Did not complete all applications received for the evaluation of foreign qualifications within 3 months	Yes	The evaluation of foreign qualifications is heavily reliant on external third-party institutions to complete the evaluation process. This results in delays in the planned 3 month turn-around time.	N/A
		24. The evaluation criteria align with the current legislative and policy context	<b>Achieved</b> 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	No target set for this year	N/A	N/A	N/A	N/A

## 4 AUTHENTICATION AND RATIFICATION SERVICES

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	25. A Verification service used by employers and institutions Plus individuals	<b>Not achieved</b> Did not complete all applications received for the verification of national qualifications within 20 working days	<b>Not achieved</b> Did not complete all applications received for the verification of national qualifications within 25 working days	Complete all compliant applications received for the verification of national qualifications within 25 working days	<b>Not achieved</b> Did not complete all compliant applications received for the verification of national qualifications within 25 working days	Yes	The NLRD currently has 70% of the data required for the verification of national qualifications. As a result, qualifications need to be sought at the institutional level. In some cases, the data required is in paper-form and requires searching and investigating.	N/A

### Comment on deviations

SAQA did not meet two targets, namely to complete compliant applications received for the evaluation of foreign qualifications within 3 months and Complete all applications received for the verification of national qualifications within 25 working days. The deviations are explained in the table above.

### 4.5. Programme 5: Research

The Research 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 of South Africa.

Programme 5 contributes to two of the five institutional 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.





## Programme 5: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

5 RESEARCH									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	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	26. Number of policies reviewed	<b>Achieved</b> <ul style="list-style-type: none"> <li>Reviewed and amended the CAT Policy</li> <li>Reviewed and amended the policy and criteria for recognising a professional body and registering a professional designation</li> <li>The Board approved both policies</li> </ul>	<b>Achieved target</b> <ul style="list-style-type: none"> <li>Reviewed the policy and criteria for registering qualifications and part-qualifications on the NQF</li> <li>The approved policy is available on SAQA's website</li> </ul>	Review one NQF policy	<b>Target achieved</b> Reviewed and amended the policy and criteria for recognising a professional body and registering a professional designation for the purpose of the NQF	No	N/A	N/A
We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of life- long learning	Implemented Policies	27. The implementation of amended Policies is monitored	No target for 2020/21	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	28. Findings and recommendations of NQF-related research	Produced a progress report on the 2021 NQF Impact Study	<b>Achieved target</b> Produced the Draft 2021 NQF Impact Study Report	Produce the final 2021 NQF Impact Study Report	<b>Target achieved</b> Produced final 2021 NQF Impact Study Report	No	N/A	N/A
			Compiled specifications for a new research and development partnership	No target set for this year	Provide a progress report on work done with research partners	<b>Target achieved</b> Provided progress report on work done with research partners	No	N/A	N/A
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	29. Record of Articulation initiatives	<b>Achieved</b> Provided the Minister with a report on progress made by SAQA and the QCs in implementing the Articulation Policy after Board approval	<b>Achieved target</b> <ul style="list-style-type: none"> <li>Collated report on the progress made on implementing the Articulation Policy for 2021/22</li> <li>The Board approved the report for submission to the Minister</li> </ul>	Provide the Minister with a report on progress made by SAQA and the QCs in implementing the Articulation Policy	<b>Target achieved</b> Provided the Minister with a report on progress made by SAQA and the QCs in implementing the Articulation Policy	No	N/A	N/A

### Comment on deviations

There were no deviations.

## 4.6. Linking performance with budgets

Programme	2022/23			2021/22		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Programme 1: Administration	R53 601	R36 756	R16 845	R81 263	R55 552	R25 711
Programme 2: Recognition and Registration	R11 021	R10 004	R1 017	R10 547	R8 645	R1 902
Programme 3: Information and Communication Technology	R21 423	R19 081	R2 342			
Programme 4: Authentication and Ratification Services	R24 389	R26 932	(-R2 543)	R23 341	R17 522	R5 819
Programme 5: Research	R5 232	R5 113	R1 19	R5 008	R4 226	R782
<b>Total</b>	<b>R115 666</b>	<b>R97 886</b>	<b>R17 780</b>	<b>R120 159</b>	<b>R85 945</b>	<b>R34 214</b>

### Programme 1: Administration

The programme has spent 69% of its budget to date. A major expense item is largely attributable to building and maintenance costs.

### Programme 2: Registration and Recognition

No significant variance when comparing the actual vs budget. Spending was in line with expectations.

### Programme 3: Information and Communication Technology

ICT Support and maintenance costs continues to be a major expense for the programme and the organisation.

Total spending against budget was 89% during the year under review.

### Programme 4: Authentication and Ratification Services

The programme has spent 110% of its budget to date. The unit has been experiencing major backlogs and system related issues that have hampered operations. Overspending is mainly due to increased demand for independent contractors to address backlogs.

### Programme 5: Research

No significant variance when comparing the actual vs budget. Spending was in line with expectations.



NQF Management Information System Sub-Unit

#### 4.7. Strategy to overcome areas of under performance

SAQA fully achieved 87.5% (21 of 24) deliverables for the 2022/23 financial year. SAQA was unable to meet its target Publish the Policy on the Misrepresentation

of Qualifications if the President proclaims the NQF Amendment Act, 2019. SAQA continues to work with the quality councils, through the CEO Committee, to enquire about the progress and obstacles to getting the Act proclaimed.

Concerning the two targets not met in Programme 4, it is anticipated that SAQA's planned automation project will mitigate many of the challenges faced in this regard. In the meantime, the Authentication Services unit has implemented networking and partnership strategies to expedite turn-around times.

## 05 REVENUE COLLECTION

Sources of revenue	2022/23			2021/22		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000					
Government Grant	R81 164	R81 164	–	R92 593	R92 593	–
Evaluation fees	R20 898	R28 127	-R7 229	R25 000	R33 892	-R8,892
Verification fees	R10 449	R16 769	-R6 320	R10 000	R11 551	-R1,551
Professional bodies fees	R1 566	R2 565	-R999	R1 500	R2 485	-R986
Rental income	–	R145	-R145	R79	R125	-R46
Sundry income	R334	R3 297	-R2 963	R560	R942	-R382
Interest received	R1 254	R4 850	-R3 596	R1 200	R1 249	-R49
Retained surplus funds	–	–	–	R4 346		–
<b>Total</b>	<b>R115 665</b>	<b>R136 917</b>	<b>–R21 252</b>	<b>R135 278</b>	<b>R142 837</b>	<b>–R7 559</b>

SAQA received a grant of R81 164 000 (R81.1 million) from the Department of Higher Education and Training as its original allocation. The automation project is still in progress and is expected to be completed by March 2024.

SAQA collected R47 461 000 (R47.6 million) from evaluation fees, verification fees, professional fees during the financial year. The sundry income is mainly rental income from the Department of Correctional Services; ETDP SETA interns funding; and income from

research projects. Interest received mainly comprises of interest earned on the CPD account during the financial year.

## 06 CAPITAL INVESTMENT

SAQA does not currently have a capital investment budget or plan.

Infrastructure projects	2022/23			2021/22		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000					
None	N/A	N/A	N/A	N/A	N/A	N/A
Total						







# PART C: GOVERNANCE

## 01 INTRODUCTION

SAQA abides by applicable legislation, notably, the NQF Act and the Public Finance Management Act (PFMA). 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 strives towards improving its already sound governance processes. Commitment to the principles of openness, integrity, efficiency, accountability, and compliance, as reflected in King IV, is evident in SAQA's unbroken record of unqualified audit opinions throughout its twenty-six years of existence.

## 02 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. The first presentation on SAQA's revised Strategic Plan 2020/25 and the APP for the financial year was made on 20 April 2022. In its presentation, SAQA highlighted challenges faced by the organisation. One of the challenges highlighted by SAQA in its presentation was the fragility of the system due to restructuring and the organisation's financial sustainability. On 14 October 2022 SAQA presented its annual report for the 2021/22 financial year.



## 03 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 2022/23. 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. SAQA also provided advice to the Minister on the Ministerial Determination in Terms of section 74 of The Higher Education Act, which proposed the abolishment of the Committee of University Principals, the Matriculation Board and the Committee of Technikon Principals.

## 04 ACCOUNTING AUTHORITY/THE BOARD

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.

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 seventh 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 7th SAQA Board is Professor Peliwe Lolwana, and the Deputy Chairperson is Dr James Keevy.





SAQA Board

## 05 FUNCTIONS OF THE BOARD

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

- Must advise the Minister 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;
- 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, 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.



## 06 ACTIVITIES OF THE BOARD AND ITS COMMITTEES

During the year under review, the seventh SAQA Board met four times to conduct its work and to attend to its strategic planning responsibilities. Section 16(1) of the NQF Act, 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.



**Prof Peliwe Lolwana**  
Chairperson  
Date appointed: 2021-01-01

### QUALIFICATIONS

- PhD in Psychology from the University of Massachusetts, Amherst, USA
- MA in Psychology from the University of Massachusetts Amherst, USA
- BA Hons in Psychology from the University of Transkei, South Africa
- Senior Secondary Teacher's Certificate from Lovedale Teacher's College, South Africa

### AREA OF EXPERTISE

Psychology Education Specialist


### BOARD OF DIRECTORSHIPS

- Chaired the East Cape Midlands Technical and Vocational College
- Council member at Tshwane University of Technology
- Member of the PILO (Improving Learning Outcomes) Board
- Member of Hotazel Manganese Mines Education Trust
- Member of the Conservation South Africa Board
- Appointed SAQA Board Chairperson

### OTHER COMMITTEES OR TASK TEAMS

SAQA Executive Committee

4/4 Meetings attended



**Dr Linda Meyer**  
Member  
Date appointed: 2021-01-01

### QUALIFICATIONS

- PhD (RSA)
- Doctor of Business Administration (USA)
- MBA (UK)
- Post Graduate Diploma in Management Studies (UK)
- BCom (Law)
- BAdmin
- Diplomas and Higher Certificates in the fields of Occupationally Directed Education and Training Development Practice, Labour Relations, Human Resource Management, Human Resource Development, Labour Law

### AREA OF EXPERTISE

- Management
- Talent Management
- Business Analysis, Design & Improvements
- Negotiation & Mediation Higher Education Management
- Communication, Presentation & Facilitation Skills
- Financial & Risk Management
- Organisational Transformation & Change Management
- Performance Monitoring & Evaluation
- Governance & Enterprise Risk Management

### BOARD OF DIRECTORSHIPS

- Appointed SAQA Board Member
- Appointed board member of the Higher Education & Training Chamber of the ETDP SETA
- Pension Fund Trustee, NGO Board Member and Chief Negotiator in the Transnet Bargaining Council (Aviation Sector)
- Member of various boards and board standing sub-committees, including HRM, Finance, Audit & Risk, ISM, Bid Adjudication and Strategy Committees.
- Former member of the Department of Justice Audit Committee

### OTHER COMMITTEES OR TASK TEAMS

- SAQA Audit and Risk Committee
- SAQA Information & Information Technology (I & I&IT) Committee

2/4 Meetings attended



**Ms Jo-Ann Christine Agulhas**  
Member  
Date appointed: 2021-01-01

**QUALIFICATIONS**

- BCom from Rhodes University
- Higher Diploma in Education from Rhodes University  
Higher Diploma in Education from Rhodes University

**AREA OF EXPERTISE**

Education Specialist


**BOARD OF DIRECTORSHIPS**

Appointed SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA Executive Committee
- SAQA Professional Bodies Committee

4/4 Meetings attended



**Mr Bonisile McLaren Gantile**  
Member  
Date appointed: 2021-01-01

**QUALIFICATIONS**

- BCom from the University of South Africa
- MSc from the Da Vinci Institute for Technology Management

**AREA OF EXPERTISE**

Education Specialist

**BOARD OF DIRECTORSHIPS**

- Board and EXCO member of the Southern African Society for Cooperative Education (SASCE)

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA Professional Bodies Committee
- SAQA Information & Information Technology (I & I&IT) Committee (as from 17March 2023).

4/4 Meetings attended



**Mr Gordon Louw**  
Member  
Date appointed: 2021-01-01  
Date resigned: 2022-04-19

**QUALIFICATIONS**

N4 Electrical Engineering from the Northern Cape Technical College

**AREA OF EXPERTISE**

Labour Union Specialist

**BOARD OF DIRECTORSHIPS**

- 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 Chairperson of the Board
- Appointed SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA NQF Qualifications Committee
- SAQA Professional Bodies Appeals Committee

0/4 Meetings attended



**Dr Thabo Shadrack Mashongoane**

Member

Date appointed: 2021-01-01

**QUALIFICATIONS**

- Fitter & Turner Cert.
- NDip Mechanical
- NDip Business Management
- Dip. Human Resources
- NHD Post School Edu
- BTech Edu Management
- PGD Management (M&E)
- PGD Design Thinking & Innovation
- MTech Business Admin
- Ded Education Management

**AREA OF EXPERTISE**

Education Specialist

**BOARD OF DIRECTORSHIPS**

- Quality Council for Occupations and Trades (QCTO) Council
- Southern African Society for Cooperative Education (SASCE)
- Public Service Trainers' Forum (PSTF) and other councils
- Appointed SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA Executive Committee
- SAQA Professional Bodies Appeals Committee

4/4 Meetings attended



**Mr Mark Mamello Mafisa**

Member

Date appointed: 2021-01-01

**QUALIFICATIONS**

- BSc Computer Science from the University of Cape Town
- Post-graduate Diploma in Business Administration from GIBS
- Leadership Development and MBA from Wits Business School

**AREA OF EXPERTISE**

Information Technology Specialist

**BOARD OF DIRECTORSHIPS**

- Appointed SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA Information & Information Technology (I & I&IT) Committee
- SAQA Executive Committee

4/4 Meetings attended



**Ms Anne Kathleen Oberholzer**

Member

Date appointed: 2021-01-01

**QUALIFICATIONS**

Masters of Education from the University of Natal

**AREA OF EXPERTISE**

Educational Assessment

**BOARD OF DIRECTORSHIPS**

- Appointed SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA Executive Committee
- SAQA National and Foreign Qualification Appeals Committee

4/4 Meetings attended



**Mr Ashley Olif Benjamin**

Member

Date appointed: 2021-01-01

**QUALIFICATIONS**

- 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

**AREA OF EXPERTISE**

Management Development Specialist

**BOARD OF DIRECTORSHIPS**

- 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
- Director on the Board of Proudly South Africa (PSA)
- Board Member of the National Skills Authority (NSA)
- Appointed SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

SAQA Audit and Risk Committee

4/4 Meetings attended



**Dr Mafu Rakometsi**

Member

Date appointed: 2021-01-01

**QUALIFICATIONS**

- BA from University of the North
- BA Honours in History from University of the North
- MA (History) from the University of Natal-Pietermaritzburg
- Management Development Programme from University of the Free State
- PhD from University of the Free State

**AREA OF EXPERTISE**

Basic Education Specialist

**BOARD OF DIRECTORSHIPS**

- SAQA Board Member
- Member of the Councils of the three QCs

4/4 Meetings attended



**Mr Vijayen Naidoo**

Member

Date appointed: 2021-01-01

**QUALIFICATIONS**

- Baccalaureus Paedagogiae In Science from University of Durban-Westville
- BEd Educational Management from University of South Africa
- National "N" Diploma (Mechanical) – Department of National Education

**AREA OF EXPERTISE**

Education Specialist

**BOARD OF DIRECTORSHIPS**

- SAQA Board Member
- Member of the Councils of the three QCs and NSA

**OTHER COMMITTEES OR TASK TEAMS**

SAQA Professional Bodies Appeals Committee

4/4 Meetings attended



**Dr Whitfield Green**

Member

Date appointed: 2021-01-01

**QUALIFICATIONS**

- Higher Diploma in Education from the University of Natal
- BSc from the University of Natal/KwaZulu-Natal
- BEd Honours from the University of Natal/ KwaZulu-Natal
- Master of Education from the University of Natal
- PhD from the University of Stellenbosch

**AREA OF EXPERTISE**

Education Specialist

**BOARD OF DIRECTORSHIPS**

- Appointed SAQA Board Member
- Member of Councils of the three QCs

3/4 Meetings attended



**Dr Julie Reddy**

Member

Date appointed: 2021-01-01

Date resigned: 2022-11-30

**QUALIFICATIONS**

- Master of Science as a Fulbright Scholar
- PhD from Cornell University

**AREA OF EXPERTISE**

Education Specialist

**BOARD OF DIRECTORSHIPS**

- SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

SAQA Executive Committee

2/4 Meetings attended



**Dr James Keevy**

Deputy Chairperson

Date appointed: 2021-10-04

**QUALIFICATIONS**

- PhD in Education
- Certificate for Distance Education Practitioners. University of South Africa
- Master's in Education (Curriculum Studies)
- BEd in Subject Didactics from the University of Pretoria
- Higher Diploma in Education (Postgraduate). University of Pretoria
- BSc Honours in Theoretical Physics from University of Pretoria

**AREA OF EXPERTISE**

Education Specialist

**BOARD OF DIRECTORSHIPS**

- Executive Director and CEO: JET Education Services
- Non-executive director: National Association of Social Change Entities (NASCEE)
- SAQA Board member
- Member of the Education Sector Committee of the South African Commission for UNESCO
- Advisory Board member, Investors in People South Africa.
- Centre for Educational Testing for Access and Placement (CETAP) Advisory Board

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA Executive Committee
- SAQA NQF Qualifications Committee

3/4 Meetings attended



**Ms Trudi van Wyk**  
Member  
Date appointed: 2021-01-01

**QUALIFICATIONS**

- BSc in Mathematics and Chemistry
- BEd 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)

**AREA OF EXPERTISE**

Education and Training Specialist


**BOARD OF DIRECTORSHIPS**

Appointed as SAQA and QCTO Board Member

**OTHER COMMITTEES OR TASK TEAMS**

SAQA NQF Qualifications Committee (as from 17 March 2023).

2/4 Meetings attended




**Ms Precious Sibiyi**  
Member  
Date appointed: 2021-10-04  
Date resigned: 2022-10-04

**QUALIFICATIONS**

- Advanced short Course in Business Rescue Practice from University of South Africa
- Registered as a Business Rescue Practitioner with CIPC
- Registered as a Chartered Accountant (South Africa)
- Postgraduate Diploma in Accounting (CTA) from University of Durban Westville (now UKZN)
- BAcc from University of Durban Westville (now UKZN)

**BOARD OF DIRECTORSHIPS**

- Non-Executive Director of AWCA Investment Holding
- Non-Executive Director of Reef Tankers (Pty) Ltd
- Non-Executive Director of Sentech SOC
- Non-Executive director of Ithala Development Finance Corporation
- Member of Air Services Licencing Council
- SAQA Board member



**Ms Nadia Starr**  
Member  
Date appointed: 2022-12-01

**QUALIFICATIONS**

- Master of Education from the University of the WitwatersrandBSocSc (Honours) from University of Cape Town
- Bachelor of Social Sciences from University of Cape Town

**AREA OF EXPERTISE**

Education Specialist

**BOARD OF DIRECTORSHIPS**

SAQA Board Member

**OTHER COMMITTEES OR TASK TEAMS**

- SAQA Executive Committee
- SAQA NQF Qualifications Committee
- SAQA Professional Bodies Committee
- SAQA Professional Bodies Appeals Committee
- SAQA Information & Information Technology (I & I&IT) Committee
- SAQA National and Foreign Qualification Appeals

2/4 Meetings attended

## Committees

During the year under review, the seventh 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 7th SAQA Board has the following committees:

COMMITTEE	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS	NAME OF MEMBERS
Executive Committee	3	7	<ul style="list-style-type: none"> <li>• Prof. P Lolwana</li> <li>• Dr J Keevy</li> <li>• Ms J Agulhas</li> <li>• Ms A Oberholzer</li> <li>• Mr M Mafisa</li> <li>• Dr T Mashongoane</li> <li>• Ms N Starr</li> </ul>
NQF Qualifications	7	5	<ul style="list-style-type: none"> <li>• Dr J Keevy</li> <li>• Ms S Ferndale</li> <li>• Ms N Mansoor</li> <li>• Ms F Nyaka</li> <li>• Mr S Phala</li> </ul>
Professional Bodies	3	6	<ul style="list-style-type: none"> <li>• Ms J Agulhas (Chairperson)</li> <li>• Mr B Gantile</li> <li>• Dr C Von Eck</li> <li>• Ms L Bezuidenhout</li> <li>• Ms D Stoltz</li> <li>• Dr A Kriel</li> </ul>
Information & Information Technology (I&IT) Committee	4	5	<ul style="list-style-type: none"> <li>• Ms S Daya</li> <li>• Mr M Mafisa</li> <li>• Dr L Meyer</li> <li>• Mr O Mokgoantle</li> <li>• Ms T Van Wyk</li> </ul>





NQF Operations Division Managers

COMMITTEE	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS	NAME OF MEMBERS
<b>Audit and Risk Committee</b>	4	7	<ul style="list-style-type: none"> <li>• Mr A Benjamin</li> <li>• Mr S Maharaj</li> <li>• Dr L Meyer</li> <li>• Mr Z Mheyamwa</li> <li>• Ms T Mkhize</li> <li>• Mr O Mokgoantle</li> <li>• Mr T Tshikovhi</li> </ul>
<b>Management Risk Committee</b>	4	14	<ul style="list-style-type: none"> <li>• Dr H Bolton</li> <li>• Ms N Damane</li> <li>• Ms P Flanagan</li> <li>• Mr I. Gumbochuma (from Nov 2022)</li> <li>• Ms M Makua (until May 2022)</li> <li>• Ms R Mathibe (from Oct 2022)</li> <li>• Adv P Matinyenya (until Feb 2023)</li> <li>• Dr L Matsau</li> <li>• Mr M Mudau (until Dec 2022)</li> <li>• Ms N Naidoo (Chairperson) (Until Sep 2022)</li> <li>• Mr J Nel</li> <li>• Ms S Netili (until June 2022)</li> <li>• Mr J Ntsioa (until Oct 2022)</li> <li>• Dr J Reddy (until November 2022)</li> <li>• Ms N Starr</li> <li>• Mr N Vasudev</li> <li>• Mr M Mabwe (Nexia – SABT) – attends meetings by invitation</li> <li>• Mr P Mawire (Nexia – SABT) – attends meetings by invitation</li> </ul>

In terms of section 16(2) of the NQF Act, 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.

### Remuneration of board members

Please refer to page 130 to 131 of the Annual Financial Statements for information on the Remuneration of the Board members

## 07 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.

SAQA's processes for managing risk are outlined in its risk policy and strategy. New and emerging risks are identified, defined and rated by units or sub-units quarterly to determine the effectiveness of its risk management strategy. Risks are rated according to the likelihood of occurring and impact if they occur, on a scale of 1 (low likelihood/impact) to 5 (very strong likelihood/great impact). The risk rating is the product of the likelihood and impact scores.

- **Risk ratings of 1–8:** managed through routine operations;
- **Risk ratings of 9–15:** staff member assigned to manage risk;
- **Risk ratings of 16–25:** specific action plans are developed to mitigate these risks. Action Plans are incorporated into each Unit /Sub-Unit's Operational Plans. Unit and Sub-Unit risks (irrespective of risk ratings) are collated into the SAQA Risk Plan. Risks rated 16–25 are collated into the Prioritised Risk Register.

The Management Risk Committee reviews risks quarterly, assesses risks with ratings of 16–25 by reviewing the impact of mitigation strategies, making adjustments to the risk ratings and mitigation strategies where necessary.

The Audit and Risk Committee recommends the Risk Register (Plan) to the Board for approval annually; ensures that risk assessments and management procedures are followed quarterly and are satisfactory, and reports

progress to the Board quarterly. The Combined Assurance Plan lists assurance by third parties and is discussed by the Audit and Risk Committee quarterly.



QCTO CEO: Mr Vijayen Naidoo and SAQA CEO: Ms Nadia Starr

## 08 INTERNAL AUDIT AND AUDIT COMMITTEES

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	DATE APPOINTED	DATE RESIGNED	NUMBER OF MEETINGS ATTENDED
<b>Mr A Benjamin</b> SAQA Board member	<ul style="list-style-type: none"> <li>Labour Law Certificate from University of the Western Cape</li> <li>Management Development Programme from University of the Western Cape</li> <li>Certification Programme in Managing the Employment Process from University of South Africa</li> <li>Programme in Human Resource Management from University of South Africa</li> </ul>	26 July 2019		3/4
<b>Mr L Koyana</b> Chairperson	<ul style="list-style-type: none"> <li>Accounting degree from University of South Africa</li> <li>Bachelor of accounting honours from University of Transkei</li> <li>CA (SA): South African Institute of Chartered Accountants</li> </ul>	28 July 2016	31 July 2022 (Term as Chairperson of the ARC ended.)	2/4
<b>Mr S Maharaj</b>	<ul style="list-style-type: none"> <li>Executive Finance Management Course from Wits Business School</li> <li>Fellow Member of the Institute of Directors Southern Africa</li> <li>Green Belt Digital Six Sigma Certified</li> <li>CA (SA): South African Institute of Chartered Accountants</li> <li>Accounting degree from University of Natal</li> <li>Bachelor of accounting honours from University of South Africa</li> </ul>	5 March 2021		3/4

NAME	QUALIFICATIONS	DATE APPOINTED	DATE RESIGNED	NUMBER OF MEETINGS ATTENDED
<b>Dr L Meyer</b> SAQA Board member	<ul style="list-style-type: none"> <li>• Doctor of Philosophy (RSA)</li> <li>• Doctor of Business Administration (USA)</li> <li>• Masters of Business Administration (UK)</li> <li>• Post Graduate Diploma in Management Studies (UK)</li> <li>• Bachelor of Commerce (Law) (RSA)</li> <li>• Bachelor of Business Administration (USA)</li> <li>• 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</li> </ul>	5 March 2021		4/4
<b>Mr Z Mheyamwa</b>	<ul style="list-style-type: none"> <li>• Masters of Business Administration from Edinburgh Business School</li> <li>• Postgraduate Diploma in Business Studies from Edinburgh Business School</li> <li>• CA (SA): South African Institute of Chartered Accountants</li> <li>• Member of Institute of Risk Management of South Africa</li> <li>• Degree and honours in accounting from University of South Africa</li> <li>• Programme in Advanced Marketing Management from University of South Africa</li> <li>• Certificate in strategic planning and formulation from University of South Africa</li> </ul>	5 March 2021		4/4
<b>Ms T Mkhize</b>	<ul style="list-style-type: none"> <li>• CA (SA): South African Institute of Chartered Accountants</li> <li>• Degree and honours in accounting from University of KwaZulu-Natal</li> <li>• Master's in Business Administration (MBA) from Milpark Business School</li> </ul>	5 March 2021		4/4
<b>Mr O Mokgoantle</b>	<ul style="list-style-type: none"> <li>• Master's in Business Management (Specialising in Strategic Management) from University of Johannesburg</li> <li>• Certificate in Professional Practices Framework for Internal Auditors from University of South Africa</li> <li>• Masters in Financial Markets from Plumb-Online</li> <li>• Higher Diploma in Computer Auditing from University of the Witwatersrand</li> <li>• Certificate in Project Management from University of South Africa</li> <li>• National Circulation in association with EY Governance, Risk and Ethics</li> <li>• Post-graduate Certificate in Advanced Taxation from University of South Africa</li> <li>• Honours Degree in accounting from University of Natal</li> <li>• Accounting degrees from University of the Western Cape and University of South Africa</li> </ul>	5 March 2021		4/4
<b>Mr T Tshikovhi</b>	<ul style="list-style-type: none"> <li>• CA (SA): South African Institute of Chartered Accountants</li> <li>• B. Comm Accounting – University of the North</li> <li>• Bachelor of Accounting Science – University of South Africa</li> <li>• Advanced certificate in taxation from University of South Africa</li> </ul>	18 March 2022		4/4



*Legal, Governance, Risk and Compliance Unit*

## 09 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. It also updated its PAIA Manual, translated it into two official languages, and published these on the SAQA website.

## 10 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 2022/23 financial year.

## 11 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. 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.

## 12 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.

## 13 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

COVID-19 continued to influence how SAQA interacted with its stakeholders. However, in this financial year in order to live in the "new normal", SAQA welcomed walk-in stakeholders, provided that they complied with COVID-19 measures. The COVID-19 measures were later relaxed and then lifted following the end of the National State

of Disaster. Subsequent to that, SAQA amended its policy on Mandatory Vaccination in the Workplace. The implication of the amendment was that the policy would only come into effect if the President declared a national state of disaster.



## 14 SOCIAL RESPONSIBILITY

As part of its alignment to the King IV Code on Good Corporate Governance, SAQA takes its corporate social responsibility seriously.

### Mandela Day

Mandela Day campaign is a celebration of our collective power to create a global movement for good and make a positive impact on the world. Homelessness, a phenomenon that many of us turn a blind eye towards, is an issue faced by many around the world. Homeless Solutions is an organisation founded out of desperation by Danie Horn while living on the streets of Tshwane. It grew out of an everyday occurrence of seeing human indifference towards the homeless, a blatant disregard for their rehabilitation and improvement which inspired him to be the change he wanted to see. This home currently caters for 20–25 adults between the ages of 30 and 60 years old. To commemorate Mandela day, SAQA staff, led by the Social Committee, opened their hearts and donated groceries and household items to Homeless Solutions, a home for adults living with homelessness in Arcadia, Pretoria.

### Work with NQF Partners

#### Unfurling Post-School Education and Training (UPSET) Initiative

SAQA has conducted and overseen research into learning pathways, flexible learning pathways, and articulation. Early research investigated ‘What is a learning pathway?’ Two projects led to an inclusive model for RPL, and institutional transformation to support lifelong learners. More recent research led to a baseline for TVET-higher

education articulation and identification of articulation enablers. The UPSET initiative is rooted in, and builds on and extends, this work. Its objectives are to establish and support:

- An articulation hub in each of South Africa’s nine provinces/ regions;
- An articulation implementation plan (AIP) per Hub;
- Joint development and implementation of higher certificates and other bridging qualifications, between higher education institutions (HEIs) and TVET colleges;
- Tracking transitioning learners; and
- Documenting successful practices.

In the 2022/23 financial year, articulation hubs were launched in KZN (22 June 2022), the Free State (20 October 2022), the Western Cape (9 November 2022) and Limpopo (28 November 2022). Plans have commenced to launch the Gauteng and Eastern Cape Hubs in 2023. Hub Leader meetings, and an UPSET strategic meeting, took place in 2022, in addition to developmental work in the provincial Hub contexts. An UPSET Community of Practice (COP) Meeting, and an UPSET National Stakeholder Workshop were co-led by DUT and SAQA on 24-25 January 2023. All of these developments are recorded in the Integrated Articulation Implementation Plan Report of February 2023.

#### Higher Education Reform Experts South Africa (HERESA)

HERESA is a collaborative multicountry initiative that combines research and development and is overseen



“

*In the wise words of Tata: “There is nothing more important in life than giving.”*

”



by the Technology Higher Education Network South Africa (THENSA). HERESA supports technological advancements in learning, focusing specifically on: (1) entrepreneurship education, (2) Work-Integrated Learning (WIL), (3) Competency-Based Learning and Teaching (CBLT), and as cross-cutting themes, competences for the Fourth Industrial Revolution (4IR), and the leadership needed to drive change.

HERESA is a sustainable 'legacy project' for future expansion. It includes six South African HEIs, five HEIs in Europe, the OBREAL Global Observatory, THENSA, and SAQA. The intention is to extend the initiative into the Southern African Development Community (SADC) and the rest of Africa in the future. SAQA's role in the HERESA initiative includes leading and participating in the projects' collaborative networks, information-sharing, and integrating key evidence-based knowledge gained, into NQF policy, as well as providing guidance towards framing the project within the NQF policy basket.

In 2022/23, SAQA:

- participated in a study visit to the University of Applied Science (TAMK), in Tampere, Finland;
- participated in a study visit to the Royal Institute of Technology (KTH) in Stockholm, Sweden;
- participated in a study visit to Munster Technology University (MTU) in Cork, Ireland;
- led HERESA work towards a policy brief for the NQF Level Descriptors; and

- co-led HERESA work towards a WIL policy brief.

## Continental Initiatives

### Refugee Pilot Project

According to the United Nations High Commissioner for Refugees (UNHCR), at the end of 2022, 108.4 million people worldwide were forcibly displaced because of persecution, conflict, violence, human rights violations and events seriously disturbing public order. South Africa's self-settlement and integration approach has created an expectation for refugees and asylum seekers to integrate themselves into South African society and labour markets (Kavuro, 2015). The right to earn a living and rebuild a livelihood is therefore essential to the existence and economic integration of refugees and asylum seekers for meaningful contributions to the South African economy.

SAQA is solely mandated by the NQF Act to provide an evaluation and advisory service to recognise foreign qualifications of its citizens and foreign persons who seek to pursue further studies, work opportunities and live in South Africa. The Addis Convention makes special provision for the recognition of qualifications of asylum seekers and refugees and parties "to establish appropriate procedures to assess whether refugees and internally displaced persons respectfully fulfil relevant requirements to access higher education through recognition of prior learning and qualifications for employability and integration".

In 2022, the implementation phase of the project was revisited by SAQA, Scalabrini Centre, and an additional key stakeholder, World Education Services (WES). With the support of WES insights and funding, the pilot phase was relaunched to attempt to meet the original target of 50 refugees and asylum seekers from various countries who are officially registered and living in South Africa. The relaunch included a nationwide expansion to two additional South African provinces; Gauteng and KwaZulu-Natal. In February 2022, the SAQA team met with the SCCT and WES to success and finalise timelines of the project deliverables, update the current questionnaire from the pilot testing, plot the roll-out of activities to test WES' methodology, and identify on-the-ground refugee and asylum seeker support organisations from Gauteng and KwaZulu-Natal.

The project engaged with representatives from higher education institutions in 2022/23. These include the University of the Western Cape, Stellenbosch University, Cape Peninsular University of Technical, and the Durban University of Technology.



Communications Sub-Unit

## 15 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. SAQA uses these platforms to educate the public about the NQF and SAQA's service offerings.

Various stakeholders have difficulty in differentiating the roles of the Quality Councils and SAQA. To remedy this, SAQA's first campaign in June highlighted the roles of Quality Councils and how they partner in their work, with SAQA in the NQF landscape. The second campaign was published across digital platforms to inform stakeholders and explain the verifications process. This was done to

avoid delays in applications and communication between SAQA and its stakeholders.

Unsuspecting learners may fall victim by enrolling for unregistered qualifications. As an entity responsible for the registration of qualifications, SAQA informed its stakeholders about the importance of registered qualifications in its third digital campaign, in November 2022. The campaign highlighted the importance of registered qualifications and accredited institutions were reiterated in the fourth campaign, an extension of Iskolosiphumile.



We are pleased to present our report for the financial year ending 31 March 2023.

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

During the period under review, the following activities were undertaken by the ARC to achieve its mandate:

- Considered the Risk Management Committee activities,
- Considered and approved the strategic risk register as part of the risk management processes,
- Considered and approved the internal audit plan and monitored implementation thereof through the quarterly progress reports and made recommendations as appropriate,
- As part of the management of compliance with laws and applicable legislation, the committee considered the checklist that assists the organisation in monitoring compliance with the organisation's regulatory universe, statutory reporting, and organisational policies,
- Considered reports from internal and external audits, including audit plans, reports, and management's follow-up of matters requiring attention and

- Reviewed and recommended for Board approval the annual financial statements and the annual integrated report.

### **The Effectiveness of Internal Control**

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the South African Qualifications Authority (the Authority), revealed certain weaknesses in the Information Technology review, which were then raised for resolution with the Authority.

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

- Corporate Services - Review of Annual Financial Statements
- NQF Operations - Information Technology Review (Application Controls)
- NQF Operations – Information Technology Review [ITC]
- Governance Stakeholder Relations Communications - Audit of Performance Information – Q4
- NQF Operations – Authentication Services
- Probity audit – Proposed Sale of SAQA building

No remaining areas of concern were noted during the internal audit of the above components.

## **In-Year Management and Monthly/Quarterly Report**

The Authority has been reporting monthly and quarterly to the National Treasury as required by the PFMA, and all compliance dates have been met.

## **Evaluation of Financial Statements**

We have reviewed the Annual Financial Statements prepared by the Authority. The ARC is satisfied that the Annual Financial Statements have been fairly presented for the year under review, and no material misstatements were identified.

## **Auditor's Report**

We have reviewed the entity's implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Committee welcomes the improvement of the audit outcome and the Auditor-General's clean audit opinion on the audited financial statements and performance information.



### **Mr Themba Tshikovhi**

Chairperson of the SAQA Audit and Risk Committee

Date: 31 July 2023

## 17 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

### HAS THE PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO THE FOLLOWING:

CRITERIA	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	The section of qualification criteria was rendered unlawful recently and SAQA never set the BEE- Pre-Qualifying criteria.
Developing and implementing a preferential procurement policy?	NO	The preferential procurement specific points are depicted in SAQA SCM procedures as these may change from time to time and from one bid to the other.
Determining qualification criteria for the sale of state-owned enterprises?	NO	This is not part of SAQA mandate.
Developing criteria for entering into partnerships with the private sector?	NO	SAQA did not enter into any PPP arrangements.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	NO	This is not part of SAQA mandate.



# PART D: HUMAN RESOURCE MANAGEMENT

## 01 INTRODUCTION

The People Management unit manages talent, employee benefits, learning and development, labour relations and wellness in the workplace. Central to our functions has been change management and continuous monitoring and evaluation of the organisational structure. The outcome of this led to an amendment of the organisational structure, approved by the Board in December 2022. Prior to amendment, there was a rigorous exercise of benchmarking, job evaluation and job grading. The amendments saw the current organogram increase from 82 positions to 86 positions to include key positions that were required for SAQA to deliver on its mandated functions.

A well-managed change management process continues, coupled with internal monitoring and evaluation. Surveys and unit reviews show that SAQA is transforming to

an organisation where employees perceive a positive organisational culture. Employees are loyal and have stepped up to the challenge of what is now required in the organisation since the restructuring that took place in the 2021/22 financial year.

Employees are supported by an employee wellness programme. SAQA supports the value of “people first” and has hosted wellness days with fun activities and built a staff wellness lounge. SAQA has also employed a blended approach to work, which is in a pilot phase. In doing this we recognise the benefits of working remotely to ensure further wellness for employees. We encourage a healthy lifestyle and a work life balance. These interventions also form part of SAQA’s employer value proposition in creating a favourable and conducive work environment for its employees.

We are currently shifting towards automation and our current structure is staffed with the best resources to meet this challenge. Our focus going forward is to implement a rigorous learning and development plan to reskill and ensure that employees can meet the challenges of the requirements of the future. Career pathing and succession planning is a priority and is central to future learning and development initiatives. Succession planning is priority for 2023/24 as we intend to implement management and executive development programmes for specialist, manager, senior manager, and executive levels to ensure adequate succession.

SAQA strives to be an employer of choice to retain staff and recruit and attract the best in the market with the resources at our disposal.

## 02 HUMAN RESOURCES OVERSIGHT STATISTICS

### 2.1 Personnel cost by programme/activity/objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	Number of employees	Average personnel cost per employee (R'000)
Programme 1: Administration	36 871	17 933	48.6%	28	640
Programme 2: Registration and Recognition	10 653	10 252	96.2%	7	1 465
Programme 3: ICT and NQF MIS	20 948	7 626	36.4%	12	636
Programme 4: Authentication and Ratification Services	28 739	28 290	98.4%	24	1 179
Programme 5: Research	5 632	5 579	99.0%	5	1 116
<b>Total</b>	<b>102 843</b>	<b>69 680</b>	<b>68%</b>	<b>76</b>	<b>917</b>

## 2.2 Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Top management	3 356	4.8%	2	1 676
Senior management	3 976	5.7%	3	1 325
Professional qualified	18 598	26.7%	15	1 240
Skilled	42 551	61%	52	818
Semi-skilled	1 199	1.8%	4	300
Unskilled	0	0	0	0
<b>Total</b>	<b>69 680</b>	<b>100%</b>	<b>76</b>	<b>917</b>

## 2.3 Performance rewards

Programme/activity/objective	Performance rewards (R'000)	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	301	3 356	9%
Senior Management	329	3 976	8%
Professional qualified	712	18 598	4%
Skilled	1 304	42 551	3%
Semi-skilled	85	1 199	7%
Unskilled	0	0	0
<b>TOTAL</b>	<b>2 731</b>	<b>69 680</b>	<b>4%</b>

## 2.4 Training Costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee
Top management	3 356	14	0.4%	3	4.7
Senior management	3 976	17	0.4%	3	5.8
Professional qualified	18 598	56	0.3%	18	3.1
Skilled	42 551	169	0.4%	50	3.4
Semi-skilled	1 199	0	0.0%	3	0.1
Unskilled	0	0	0	0	0
<b>Total</b>	<b>69 680</b>	<b>257</b>	<b>0.4%</b>	<b>77</b>	<b>17</b>



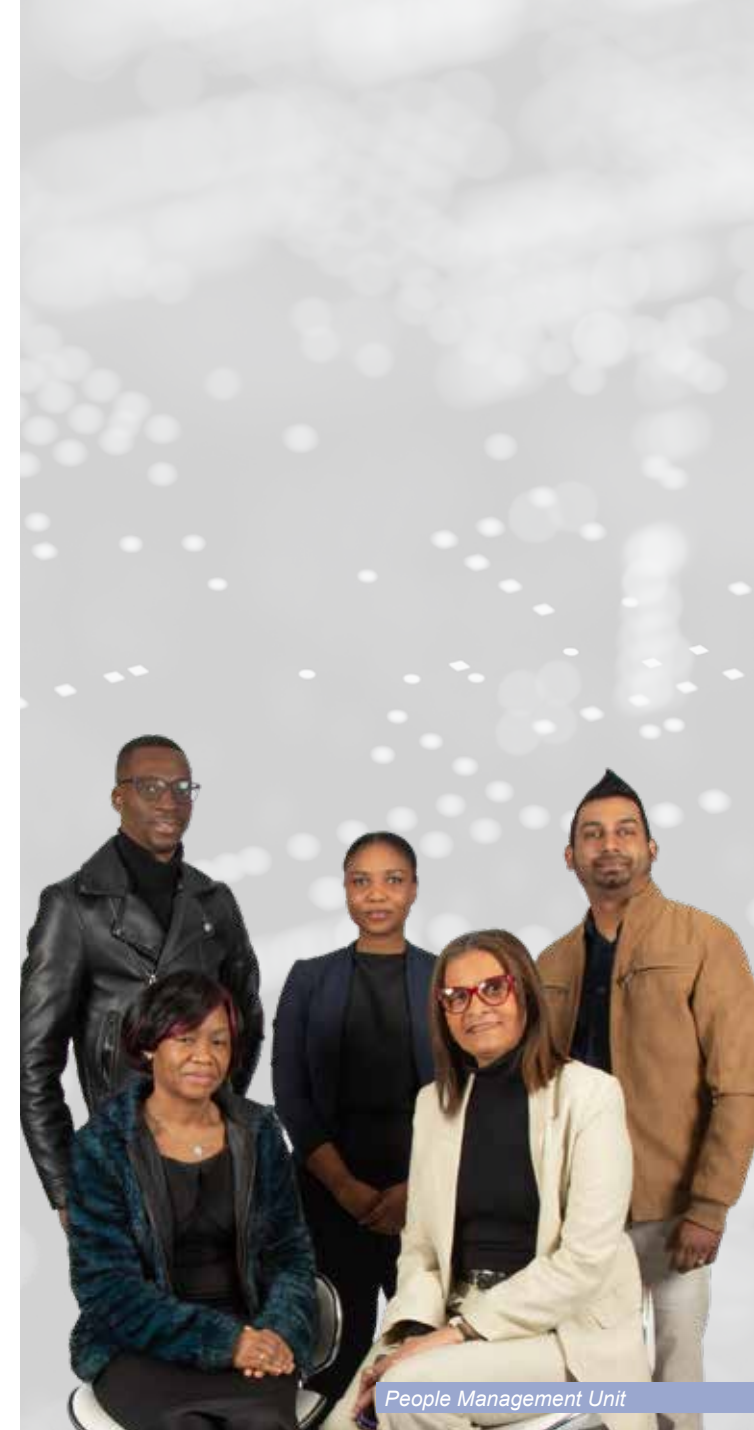
## 2.5 Personnel cost by salary band

Level	2021/2022 Number of Employees	2021/2022 Approved Posts	2022/2023 Number of Employees	2022/2023 Vacancies	% of vacancies
Top management	4	4	2	1	10
Senior management	4	5	3	3	30
Professional qualified	15	17	15	1	10
Skilled	49	53	52	5	50
Semi-skilled	3	3	4	0	0
Unskilled	0	0	0	0	0
<b>Total</b>	<b>75</b>	<b>82</b>	<b>76</b>	<b>10</b>	<b>100</b>

SAQA embarked on an organisational redesign exercise for the purpose of developing structures that are effective and efficient, to meet the SAQA mandate. After monitoring and evaluation of the new structure, SAQA further engaged the services of an external organisational redesign specialist who assessed the staffing structure and functional arrangements.

This resulted in new positions being added to the organogram, including one position at executive

level. Vacancies are filled within three months of advertisement, with the exception of hard-to-fill positions that require critical and scarce skills. The filling of key and strategic positions will continue to be prioritised. Retention of staff is a continuous review and improvement of our conditions of service. Performance bonuses and notch increases were paid to all qualifying staff and various employee wellness initiatives have been implemented.



## 2.6 Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top management	4	1	3	2
Senior management	4	1	2	3
Professional qualified	15	3	3	15
Skilled	49	7	4	52
Semi-skilled	3	1	0	4
Unskilled	0	0	0	0
<b>Total</b>	<b>75</b>	<b>13</b>	<b>12</b>	<b>76</b>

## 2.7 Reasons for staff leaving

Reason	Number	% of total number of staff leaving
Death	0	0
Resignation	9	75
Dismissal	2	17
Retirement	1	8
Ill health	0	0
Expiry of contract	0	0
Other	0	0
<b>Total</b>	<b>12</b>	<b>100</b>

The main reasons for resignations were employment offers at higher position levels and salaries. SAQA terminated two employment contracts due to dismissal following a disciplinary process, and one employment contract was terminated due to retirement.

## 2.8 Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	3
Final Written Warning	0
Dismissal	2
<b>Total</b>	<b>5</b>

## 2.9 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	10	35	5	5.3	10	2.4	5	5.3
Senior management	10	35	5	5.3	10	2.4	5	5.3
Professional qualified	10	35	5	5.3	10	2.4	5	5.3
Skilled	50	34.1	2	2.2	2	2.4	2	7.9
Semi-skilled	50	34.1	2	2.2	2	2.4	2	7.9
Unskilled	0	0	0	0	0	0	0	0

Levels	FEMALE (reflected in percentage [%])							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	40	37	10	5.9	5	3	15	6.1
Senior management	40	37	10	5.9	5	3	15	6.1
Professional qualified	40	37	10	5.9	5	3	15	6.1
Skilled	41	38	2	4.5	2	3.6	0	7.3
Semi-skilled	41	38	2	4.5	2	3.6	0	7.3
Unskilled	0	0	0	0	0	0	0	0

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	1	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	0	0	1	1

SAQA has an organisational disability target of 2%, and continues to implement initiatives and other strategies to attract employees with disabilities.



# PART E: PFMA COMPLIANCE REPORT

# 01 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

## 1.1 Irregular expenditure

Reconciliation of irregular expenditure

Description	2022/23 R'000	2021/22 R'000
Opening balance	497	0
Add: Irregular expenditure confirmed	0	497
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	497	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	0	497

Reconciling notes

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure that was under assessment in 2022/23	497	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	497
Irregular expenditure for the current year	0	0
Total	0	497

Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	0	0

Details of current and previous year irregular expenditure condoned

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure condoned	0	0
Total	497	0

Details of current and previous year irregular expenditure removed (not condoned)

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure NOT condoned and removed	497	0
Total	0	0

Details of current and previous year irregular expenditure recovered

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure recovered	0	0
Total	0	0

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

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure written off	0	0
Total	0	0

## 1.2 Additional disclosure relating to inter-institutional arrangements

Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None
<b>Total</b>

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

Description	2022/23 R'000	2021/22 R'000
None		
<b>Total</b>		

Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
SAQA conducted the internal disciplinary hearing of the three Bid Evaluation Officials on 13 December 2022 as per paragraph 56 (g) of the Irregular Expenditure Framework and section 51 (1) (e) (iii) of the PFMA, and the outcome was a verbal warning for each.
a) SAQA has fully complied with section 56 (a-h) of the Irregular Expenditure Framework.
b) There was no loss, fraud, corruption, or other criminal activity in line with the RFQ and SAQA Information Communications Technology requirements at the time.
c) Value for money was achieved as all the organisational software programmes were supported by Microsoft and aligned to the automation processes.

## 1.3 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure – NONE

Description	2022/23 R'000	2021/22 R'000
Opening balance	N/A	N/A
Add: Fruitless and wasteful expenditure confirmed	N/A	N/A
Less: Fruitless and wasteful expenditure written off	N/A	N/A
Less: Fruitless and wasteful expenditure recoverable	N/A	N/A
Closing balance	N/A	N/A

Reconciling notes – NONE

Description	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	N/A	N/A
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	N/A	N/A
Fruitless and wasteful expenditure for the current year	N/A	N/A
<b>Total</b>	N/A	N/A

Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation) – NONE

Description	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure under assessment	N/A	N/A
Fruitless and wasteful expenditure under determination	N/A	N/A
Fruitless and wasteful expenditure under investigation	N/A	N/A
<b>Total</b>	N/A	N/A

Details of current and previous year irregular expenditure recovered – NONE

Description	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure recovered	N/A	N/A
<b>Total</b>	N/A	N/A

Details of current and previous year irregular expenditure not recovered and written off – NONE

Description	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure written off	N/A	N/A
<b>Total</b>	N/A	N/A

Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure – NONE

Disciplinary steps taken

## 1.4 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

Details of current and previous year material losses through criminal conduct – NONE

Material losses through criminal conduct	2022/23 R'000	2021/22 R'000
Theft	N/A	N/A
Other material losses	N/A	N/A
Less: Recovered	N/A	N/A
Less: Not recovered and written off	N/A	N/A
<b>Total</b>	N/A	N/A

Details of other material losses – NONE

Nature of other material losses	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>	N/A	N/A
<b>Total</b>		

Other material losses recovered – NONE

Nature of losses	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>	N/A	N/A
<b>Total</b>		

Other material losses written off – NONE

Nature of losses	2022/23 R'000	2021/22 R'000
<i>(Group major categories, but list material items)</i>	N/A	N/A
<b>Total</b>		

## 02 LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
Valid invoices received	1 750	R33 566 224
Invoices paid within 30 days or agreed period	1 750	R33 566 224
Invoices paid after 30 days or agreed period	N/A	N/A
Invoices older than 30 days or agreed period (unpaid and without dispute)	N/A	N/A
Invoices older than 30 days or agreed period (unpaid and in dispute)	N/A	N/A

## 03 SUPPLY CHAIN MANAGEMENT

### 3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Amendments to SAQA's Organisational Structure	Chrom Consulting	Deviation	PO00056486	R56 005.05
Procurement of Caseware Licences	Adapt IT	Sole Source	PO00056551	R44 073.75
Procurement of Caseware Training Services	Adapt IT	Sole Source	PO00056563	R30 854.96
<b>Total</b>				<b>R130 933.76</b>



### 3.2 Contract variations and expansions

Project description	Name of supplier	Type of procurement by other means	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Legal Services	Cheadle Thompson and Haysom INC	Variation	SLA	R5 000 000.00	N/A	Variated by time only
The maintenance and support of SAQA Local Area Network (LAN) and Wide Area Network (WAN) security services including new installations for three (3) years ending 31 October 2022.	Redwill ICT Inc	Variation	SLA	R1 500 000.00	N/A	R225 000.00
Website Support and Maintenance Services	Absol	Variation	SLA	R1 206 235.00	N/A	R84 436.45
<b>Total</b>						<b>R309 436.45</b>



Supply Chain & Facilities Management Unit



# PART F: FINANCIAL INFORMATION

## INDEX

1	Accounting Authority's Report	82
2	Report of the Auditor-General	85
3	Statement of Financial Position	91
4	Statement of Financial Performance	92
5	Statement of Changes in Net Assets	93
6	Cash Flow Statement	94
7	Statement of Comparison of Budget and Actual Amounts	95
8	Accounting Policies	96
9	Notes to the Annual Financial Statements	106

## ABBREVIATIONS USED

COID	Compensation for Occupational Injuries and Diseases	MSCOA	Municipal Standard Chart of Accounts
DBSA	Development Bank of South Africa	CPD	Corporation for Public Deposits
GRAP	Generally Recognised Accounting Practice	DPSA	Department of Public Service and Administration
HDF	Housing Development Fund	HEI	Higher Education Institution
IAS	International Accounting Standards	RPL	Recognition of Prior Learning
IPSAS	International Public Sector Accounting Standards	NQF	National Qualifications Framework
MFMA	Municipal Finance Management Act	DHET	Department of Higher Education and Training

## GENERAL INFORMATION

**Registered Name:** South African Qualifications Authority  
**Physical Address:** SAQA House,  
1067 Arcadia Street,  
Hatfield, Pretoria, 0083  
**Postal Address:** PostNet Suite 248, Private Bag X06,  
Waterkloof, Pretoria, 0145

**Telephone Number:** +27 12 431 5000  
**Email:** [saqainfo@saqa.co.za](mailto:saqainfo@saqa.co.za)  
**Website:** [www.saqa.org.za](http://www.saqa.org.za)  
**External Auditors:** Auditor-General, South Africa  
**Bankers:** Standard Bank, Pretoria

## 01 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, to oversee the further development and implementation of the NQF and to co-ordinate the sub-frameworks that comprise the NQF. In terms of the Public Finance Management Act (PFMA), SAQA is a schedule 3A 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 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 annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 4. 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).

### 5. Property, plant and equipment and Intangible Assets

There were no changes in the nature of property, plant and equipment and intangible assets or the policy regarding them. The entity has done a review of the useful lives and residual values in the current financial year.

The capital expenditure on Property, Plant and Equipment and Intangible Assets amounted to R5 644 047 (2022: R6 984 463). The details of the disclosures are contained in notes 3 and 4 of the annual financial statements.

## 01 ACCOUNTING AUTHORITY'S REPORT

### 6. 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 11.

### 7. 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.

### 8. Fair Presentation

The annual financial statements fairly present the state of affairs of SAQA as at 31 March 2023, 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 2023.

### 9. 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.

Research projects	1 April 2022 Opening Balance	Current year income/Funds received/ Receivable	Current year expense/ Release /Refund	31 March 2023
Grant Income Automation Project	4 079 440	-	(4 079 440)	-
Higher Education Quality Information System (HEQCIS)	84 800	208 800	(157 600)	136 000
World Education Services Project (WES)	407 202	-	(231 581)	175 621
DHET NQF Enabling Project	-	1 054 350	(1 054 350)	-
Higher Education Reform Experts - South Africa (HERESA)	53 283	-	(53 283)	-
DUT Upset Project	-	200 000	(200 000)	-
UCT Professional Pathways Project	-	84 000	(84 000)	-
	4 624 725	1 547 150	(5 860 254)	311 621

## 01 ACCOUNTING AUTHORITY'S REPORT

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 HEI in SA, to shape institutional and also national HE 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 has allocated funding of R9,8 million for the automation of SAQA business processes.

Grant Automation Project - Total amount of R4 150 012.23 was spent on capital expenditure, this has been recognised in the statement of financial position as intangible assets. The balance of R1 877 571 has been expensed and classified as computer expense under general expenses note 17.

DHET NQF Enabling Project - SAQA's participation in the NQF Environment – Amendments to the Articulation and Recognition of Prior Learning Coordination Policies' project to inter alia provide proposals, options and recommendations for amendments to the Articulation and the RPL Coordination Policies. The project initialises processes to align the Articulation and RPL Coordination Policies to the broader education and training legislative and policy environment and to address duplication, inconsistencies and gaps.

DUT UPSET (Unfurling Post School Education and Training) Project - SAQA's mandate will include: (i) hosting the NCSE Workshops and the CoP Colloquia; (ii) providing conceptual inputs to the institutional articulation plans, based on SAQA's articulation-related research and development work; (iii) making conceptual inputs to the curriculum development

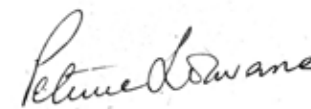
conversations based also on SAQA's articulation research and development; (iv) making inputs to the learning pathways linked to the proposed Higher Certificates, before and during the qualification registration process, in order to expedite the registration process; and (v) harness the learning pathways data and analyses national databases managed by SAQA.

UCT Professional Pathways Project - The core objective of the proposed work is to understand learning pathways that lead to the selected priority occupations, both in terms of the nature of the pathways and in terms of the numbers of individuals moving along these pathways.




---

**Nadia Starr**  
**Chief Executive Officer**  
**Pretoria**  
**Monday, 31 July 2023**




---

**Prof. Lolwana**  
**Chairperson of the board**

## 02 REPORT OF THE AUDITOR-GENERAL

### 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 91 to 95, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Qualifications Authority (SAQA) as at 31 March 2023 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 responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the 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.

#### Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in notes 29 and 30 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the South African Qualifications Authority. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

#### Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA; and for such internal controls 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.

## 02 REPORT OF THE AUDITOR-GENERAL

9. 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.

### Responsibilities of the Auditor-General for the audit of the financial statements

10. 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.
11. 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

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Registration and Recognition	31 to 33	Improved turnaround times for the registration of qualifications and part- qualifications (simplified NQF)
Programme 4: Authentication Services	37 to 38	A foreign qualifications evaluation and advisory service that meets changing learner and worker needs

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the 's mandate and the achievement of its planned objectives.
  - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
  - the reported performance information is presented in the annual performance report in the prescribed manner.
  - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.



## 02 REPORT OF THE AUDITOR-GENERAL

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance conclusion.

17. I did not identify any material findings on the reported performance information for the selected programmes:

Programme 2: Registration and recognition

Programme 4: Authentication services

### Other matters

18. I draw attention to the matters below.

### Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement. This information should be considered in the context of the material findings on the reported performance information.

20. The entity plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets

Key service delivery Indicators not achieved	Planned target	Reported achievement
<b>Programme 4: Authentication Services</b>		
Targets achieved: 0%		
Budget spent: 110% (the budget was overspent)		
23. Articulation from foreign systems into South Africa takes place	Complete all compliant applications received for the evaluation of foreign qualifications within 3 months	Not achieved Did not complete all compliant applications received for the evaluation of foreign qualifications within 3 months

Key service delivery Indicators not achieved	Planned target	Reported achievement
25. A Verification service used by employers and institutions Plus individuals	Complete all compliant verification requests received for the verification of South African qualifications within 25 working days	Not achieved Did not complete all compliant applications received for the verification of South African qualifications within 25 working days

Reasons for the underachievement of targets are included in the Annual Performance Report on pages 37 to 38.

### Material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. This misstatement was in the reported performance information of Programme 4: Authentication Services. As management subsequently corrected the misstatement, I did not raise material findings on the usefulness and reliability of the reported performance information.

### Report on compliance with legislation

22. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

23. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

24. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and

## 02 REPORT OF THE AUDITOR-GENERAL

evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

25. I did not identify any material non-compliance with the selected legislative requirements.

### Other information in the annual report

26. The accounting authority is responsible for the other information included in the annual report which includes the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
28. My responsibility is to read this other information and, in doing so, consider whether it 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.
29. 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

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

Auditor-General

Pretoria  
31 July 2023



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## 03 ANNEXURE TO THE AUDITOR'S REPORT

### The annexure includes the following:

- the Auditor-General's responsibility for the audit.
- the selected legislative requirements for compliance testing.

### Auditor-General's responsibility for the audit

#### Professional judgement and professional scepticism

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 programmes and on the 's compliance with selected requirements in key legislation.

#### Financial statements

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 entity's internal controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. 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 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

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.

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.

## 03 REPORT OF THE AUDITOR-GENERAL

### Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or Regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 38(1)(b)
	Section 44
	Section 45(b)
	Section 51(1)(b)(i)
	Section 51(1)(b)(ii)
	Section 51(1)(e)(iii)
	Section 53(4)
	Section 54(2)(c)
	Section 54(2)(d)
	Section 55(1)(a)
Treasury Regulations	Regulation 8.2.1 and 8.2.2
	Regulation 31.1.2(c)
	Regulation 16A6.1;
	Regulation 16A3.2 (fairness)
	Regulation 16A3.2(a);
	Regulation 16A6.2(a) & (b)
	Regulation 16A6.1;
	Regulation 16A6.3(b)
	Regulation 16A6.3(a) (i)
	Regulation 16A6.3 (a) and (b)
	Regulation 16A6.3(c)
	Regulation 16A6.4;
	Regulation 16A6.5
	Regulation 16A6.6
	Regulation 16A.7.1
	Regulation 16A.7.3

Legislation	Sections or Regulations
	Regulation 16A.7.6
	Regulation 16A.7.7
	Regulation 16A8.3
	Regulation 16A8.4
	Regulation 16A9.1(d)
	Regulation 16A9.1(e)
	Regulation 16A9.2(a)(ii)
	Regulation 30.1.1
	Regulation 30.1.3(a)
	Regulation 30.1.3(b)
	Regulation 30.1.3(d)
	Regulation 30.2.1
	Regulation 31.2.1
Regulation 31.3.3	
Preferential Procurement Regulations of 2022 (PPR)	Regulation 2017 4(1) & 4(2)
	Regulation 2017 5(1) & 5(3)
	Regulation 2017 5(6)
	Regulation 2017 5(7)
	Regulation 2017 8(2)
	Regulation 2017 8(5)
	Regulation 2017 9(1)
Regulation 2017 9(1)	
Construction Industry Development Board	Act 18(1)
Construction Industry Development Board	CIDB reg. 17;
	CIDB reg. 25(7A)

**04 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

	Note(s)	Figures in Rand	
		2023	2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	21 962 454	23 559 311
Intangible assets	4	8 334 219	4 851 981
Prepayments	6	857 817	-
<b>Total non-current assets</b>		<b>31 154 490</b>	<b>28 411 292</b>
<b>Current Assets</b>			
Receivables from exchange transactions	5	4 449 452	2 113 563
Prepayments	6	1 769 085	1 242 276
Cash and cash equivalents	7	100 508 773	62 178 022
<b>Total current Assets</b>		<b>106 727 310</b>	<b>65 533 861</b>
<b>Total Assets</b>		<b>137 881 800</b>	<b>93 945 153</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Finance lease obligation	8	-	76 390
<b>Total Non-current liabilities</b>		<b>-</b>	<b>76 390</b>
<b>Current Liabilities</b>			
Finance lease obligation	8	76 390	183 329
Deferred income	9	1 406 687	8 172 006
Provisions	10	6 720 314	2 984 556
Payables from exchange transactions	11	5 968 453	2 473 154
<b>Total current liabilities</b>		<b>14 171 844</b>	<b>13 813 045</b>
<b>Net Assets</b>		<b>123 709 956</b>	<b>80 055 718</b>
Accumulated surplus		123 709 956	80 055 718

**05 STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 MARCH 2023**

	Note(s)	Figures in Rand	
		2023	2022
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rendering of services		51 620 299	47 437 773
Rental Income		145 338	125 213
Interest received		4 912 882	1 249 631
Reversal of provision for credit loss		-	508 445
Sundry Income		4 465 159	1 041 819
Gain on disposal of assets		110 124	-
Gain on foreign exchange		-	8 174
<b>Total revenue from exchange transactions</b>		<b>61 253 802</b>	<b>50 371 055</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	14	81 164 000	82 793 000
Automation Project Grant	14	4 079 440	5 720 560
<b>Total revenue from non-exchange transactions</b>		<b>85 243 440</b>	<b>88 513 560</b>
<b>Total revenue</b>	12	<b>146 497 242</b>	<b>138 884 615</b>
<b>Expenditure</b>			
Employee-related costs	15	(69 680 391)	(59 493 000)
Depreciation and amortisation	16	(3 801 790)	(5 355 898)
Increase of provision for credit loss		(97 759)	-
Lease rentals on operating lease	13	(102 878)	(109 700)
Bad debts written off		-	(91 091)
Loss on disposal of assets		-	(254 131)
Collateral inventory write-downs		-	(232 612)
General Expenses	17	(28 173 631)	(24 222 874)
Repairs and maintenance	17	(986 557)	(1 274 435)
<b>Total expenditure</b>		<b>(102 843 006)</b>	<b>(91 033 741)</b>
<b>Surplus for the year</b>		<b>43 654 236</b>	<b>47 850 874</b>

**06 STATEMENT OF CHANGES IN NET ASSETS**

	Figures in Rand	
	Accumulated surplus / deficit	Total net assets
<b>Balance at 01 April 2021</b>	<b>32 204 844</b>	<b>32 204 844</b>
Changes in net assets		
Surplus for the year	47 850 874	47 850 874
Total changes	47 850 874	47 850 874
Opening balance as previously reported	80 533 130	80 533 130
Adjustments		
Prior year adjustments (note 24)	(477 410)	(477 410)
<b>Balance at 01 April 2022 as restated*</b>	<b>80 055 720</b>	<b>80 055 720</b>
Changes in net assets		
Surplus for the year	43 654 236	43 654 236
Total changes	43 654 236	43 654 236
<b>Balance at 31 March 2023</b>	<b>123 709 956</b>	<b>123 709 956</b>

\* The effects of the prior period adjustments have been disclosed in note 24 to the annual financial statements.

## 07 CASH FLOW STATEMENT

	Note(s)	Figures in Rand	
		2023	2022
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		50 251 863	47 371 281
Grants		81 164 000	92 593 000
Interest income		4 850 405	1 249 631
Project funding received		1 547 150	1 621 592
		137 813 418	142 835 504
<b>Payments</b>			
Employee costs		(64 547 023)	(64 251 900)
Suppliers		(29 175 262)	(34 243 708)
		(93 722 285)	(98 495 608)
<b>Net cash flows from operating activities</b>	19	<b>44 091 133</b>	<b>44 339 896</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(1 659 034)	(3 618 148)
Proceeds from sale of property, plant and equipment	3	232 000	-
Purchase of other intangible assets	4	(4 150 012)	(3 366 315)
<b>Net cash flows from investing activities</b>		<b>(5 577 046)</b>	<b>(6 984 463)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(183 336)	(259 719)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>38 330 751</b>	<b>37 095 714</b>
Cash and cash equivalents at the beginning of the year		62 178 022	25 082 308
<b>Cash and cash equivalents at the end of the year</b>	7	<b>100 508 773</b>	<b>62 178 022</b>

The accounting policies on pages 96 to 105 and the notes on pages 106 to 145 form an integral part of the annual financial statements.



**08 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

Budget on cash basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rendering of services	32 913 000	-	<b>32 913 000</b>	47 167 199	<b>14 254 199</b>	31.1
Rental Income	-	-	-	145 338	<b>145 338</b>	
Interest received	1 254 000	-	<b>1 254 000</b>	4 912 882	<b>3 658 882</b>	31.1
Sundry Income	334 000	-	<b>334 000</b>	2 939 326	<b>2 605 326</b>	31.1
<b>Total revenue from exchange transactions</b>	<b>34 501 000</b>	-	<b>34 501 000</b>	<b>55 164 745</b>	<b>20 663 745</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	81 164 000	-	<b>81 164 000</b>	81 164 000	-	
<b>Total revenue</b>	<b>115 665 000</b>	-	<b>115 665 000</b>	<b>136 328 745</b>	<b>20 663 745</b>	
<b>Expenditure</b>						
Employee-related costs	78 792 000	-	<b>78 792 000</b>	64 547 023	<b>(14 244 977)</b>	31.2
Depreciation and amortisation	2 500 000	-	<b>2 500 000</b>	-	<b>(2 500 000)</b>	31.2
Repairs and Maintenance	487 000	-	<b>487 000</b>	986 556	<b>499 556</b>	31.2
Lease rentals on operating lease	-	-	-	102 878	<b>102 878</b>	
General Expenses	30 886 000	-	<b>30 886 000</b>	28 085 828	<b>(2 800 172)</b>	31.2
Capitalised expenditure	3 000 000	-	<b>3 000 000</b>	5 809 047	<b>2 809 047</b>	31.2
<b>Total expenditure</b>	<b>115 665 000</b>	-	<b>115 665 000</b>	<b>99 531 332</b>	<b>(16 133 668)</b>	
<b>Surplus</b>	-	-	-	<b>36 797 413</b>	<b>36 797 413</b>	
Gain on sale of assets	-	-	-	110 124	<b>110 124</b>	
<b>Surplus</b>	-	-	-	<b>36 907 537</b>	<b>36 907 537</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	-	-	-	<b>36 907 537</b>	<b>36 907 537</b>	

## 09 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, is 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 information available. The accounting policy for provisions is disclosed under note 1.4, and additional disclosure of these estimates of provisions is included in note 10.

##### 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 impairment 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 the statement of financial performance, 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 periods.

## 09 ACCOUNTING POLICIES

### 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.

### Initial Measurement

Property, plant and equipment are initially measured at cost. Where an asset is acquired through a non-exchange transaction, its cost 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:

Item	Average useful life
Land	-
Buildings	5 - 50 years
Cellphones	2 years
Furniture and fixtures	4 - 27 years
Motor vehicles	10 years
IT equipment	4 - 20 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 in the statement of financial performance.

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 derecognised.

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 on the face of the Statement of Financial Performance. (refer to note 17)

## 09 ACCOUNTING POLICIES

### Derecognition

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 recorded in the statement of financial performance. 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.

An intangible asset is recognised when:

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

An intangible asset is recognised at cost if it is probable that future economic benefits or service potential will flow to SAQA. Amortisation is charged on a systematic basis over the estimated useful lives of 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 end of the financial position date to determine whether there is any indication of impairment. The estimated useful lives and residual values are re-assessed 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	Depreciation method	Useful life
DFQEAS workflow software	Straight-line	8 - 14 years
NLRD software	Straight-line	22 years
SAQA website	Straight-line	5,5 years
Licence fees	Straight-line	As per the licence agreement
Verifications database	Straight-line	8 years
Other computer software	Straight-line	10 years
Automation workflow under development	Straight-line	In progress

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

SAQA derecognises 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 derecognition of intangible assets is included in the statement of financial performance.

## 09 ACCOUNTING POLICIES

### 1.4 Provisions

Provisions are recognised in the statement of financial position when:

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

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.

### 1.5 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 33.

### 1.6 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 13th 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.

## 09 ACCOUNTING POLICIES

### 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 to provide for bonuses for the financial year under review which is recognised as a Provision as at 31 March 2023.

### 1.7 Revenue

#### Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than 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 Qualification 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 prior to 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.

### 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 short-term investments is recognised on a time-proportional basis using the effective interest rate

## 09 ACCOUNTING POLICIES

### 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.

Subsequent to initial recognition:

- Grants for the purpose of giving immediate financial support with no future related costs are recognised in the statement of financial performance in the period in which they become receivable; 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 such time as 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 prior to 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 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 at the amount of 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 the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be 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 in accordance with 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, derecognition, presentation and disclosure of statutory receivables.

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 is classified based on the nature of the underlying transaction.

## 09 ACCOUNTING POLICIES

### 1.9 Leases

#### Finance leases - lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the 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. Subsequent to initial recognition, the asset is accounted for in accordance with 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.

#### 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 component parts, on initial recognition as a financial asset, a financial liability or residual interest in accordance with 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

##### Financial assets

SAQA's financial assets comprise trade and other receivables and cash and cash equivalents. These financial assets are classified as financial assets at amortised costs.

Subsequent to 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 provision for credit losses. A provision for credit loss 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 180 days overdue) are considered indicators that the trade receivable is impaired. 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.



## 09 ACCOUNTING POLICIES

### 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 of trade and other payables and finance lease liabilities. The 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.

### Trade and other payables

SAQA's principal trade and other payables relates 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.

### 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 instruments are derecognised when the contractual rights to the cash flow from the asset 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.

Financial liabilities are derecognised 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 derecognition, the entity does not offset the transferred asset and associated liability.

### 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 with the objective of generating 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.

## 09 ACCOUNTING POLICIES

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 higher of its fair value less costs to sell and its value in use. Value in use is the present value of the asset's remaining service potential. This is determined using the depreciation replacement cost method. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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

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 the operating parent establishment and entities under common control 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 are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with 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. 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 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 in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.15 Irregular expenditure

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

- (a) this Act; or
- (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 at the amount that is expected to be recovered and is derecognised when settled or written off as irrecoverable.

## 09 ACCOUNTING POLICIES

### 1.16 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 on the basis of the financial statements.

### 1.17 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.

### 1.18 Impairment of 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 higher of its fair value less costs to sell and its value in use.

Value in use is the present value of the asset's remaining service potential. This is determined using the depreciation replacement cost method. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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.

### 1.19 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 33.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 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 all standards and interpretations that are effective for the current financial year and that are relevant to its operations. The standards adopted and that are effective from the 1 April 2022 have not significantly changed the disclosures or presentation of the financial statements.

#### 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 01 April 2023 or later periods:

Standard/ Interpretation: Amendments to GRAP 1	Effective date: Years beginning on or after 1 April 2023	Expected impact: The entity shall apply revised principles
Standard/ Interpretation: Amended GRAP 104 on Financial Instruments	Effective date: Years beginning on or after 1 April 2025	Expected impact: No significant impact on the entity
Standard/ Interpretation: Improvements to the Standards of GRAP	Effective date: Years beginning on or after 1 April 2023	Expected impact: Improvements shall be applied
Standard/ Interpretation: Amended GRAP 25 on Employee benefits	Not yet determined	Expected impact: No significant impact identified
Standard/ Interpretation: Guideline on the Application of Materiality to Financial Statements	Not yet determined	Expected impact: Impact on materiality will be assessed
Standard/Interpretation: IGRAP21 -The effect of past decisions on materiality	Not yet determined	Expected impact: To be assessed

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 3. Property, plant and equipment

	Figures in Rand					
	2023			2022		
	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	23 461 102	(8 271 522)	15 189 580	23 004 070	(7 428 218)	15 575 852
Furniture and fixtures	4 647 504	(3 559 585)	1 087 919	4 618 114	(3 283 615)	1 334 499
Motor vehicles	-	-	-	304 287	(240 786)	63 501
IT equipment	18 952 230	(14 123 531)	4 828 699	18 142 416	(12 325 321)	5 817 095
Cellphones	577 251	(236 450)	340 801	340 781	(87 872)	252 909
<b>Total</b>	<b>48 153 542</b>	<b>(26 191 088)</b>	<b>21 962 454</b>	<b>46 925 123</b>	<b>(23 365 812)</b>	<b>23 559 311</b>

#### Reconciliation of property, plant and equipment - 2023

	Figures in Rand				
	Opening balance	Additions	Disposals	Depreciation	Total
Land	515 455	-	-	-	515 455
Buildings	15 575 852	457 032	-	(843 304)	15 189 580
Furniture and fixtures	1 334 499	32 430	(585)	(278 425)	1 087 919
Motor vehicles	63 501	-	(46 066)	(17 435)	-
IT equipment	5 817 095	877 025	(40 281)	(1 825 140)	4 828 699
Cellphones	252 909	292 548	(34 944)	(169 712)	340 801
	<b>23 559 311</b>	<b>1 659 035</b>	<b>(121 876)</b>	<b>(3 134 016)</b>	<b>21 962 454</b>

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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

	Figures in Rand				
	Opening balance	Additions	Disposals	Depreciation	Total
Land	515 455	-	-	-	515 455
Buildings	15 545 341	761 334	-	(730 825)	15 575 852
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)	(2 398 122)	5 817 095
Cellphones	-	366 663	(21 115)	(92 639)	252 909
	<b>23 770 723</b>	<b>3 618 148</b>	<b>(200 247)</b>	<b>(3 629 316)</b>	<b>23 559 311</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 R5 400 000. Net improvements to the land and buildings to date amount to R18 576 557 (2022: R18 119 525).

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 28.

Expenditure on repairs and maintenance to property, plant and equipment amount to R986 557 (2022: R1 274 435)

**10** NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Figures in Rand	
	2023	2022
Cost	5 400 000	5 400 000
<b>Improvements</b>		
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	761 334
2023	457 032	-
	<b>23 976 557</b>	<b>23 519 525</b>

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Assets subject to finance lease (Net carrying amount)

	Figures in Rand	
	2023	2022
Finance leased equipment	103 769	252 909

### 4. Intangible assets

	Figures in Rand					
	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Other Software	83 456	(35 877)	47 579	83 456	(27 243)	56 213
DFQEAS Workflow Software	3 221 011	(2 502 327)	718 684	3 221 010	(2 366 153)	854 857
NLRD Software	27 002 662	(26 808 603)	194 059	27 002 662	(26 614 546)	388 116
SAQA Website	340 976	(185 987)	154 989	340 976	(123 991)	216 985
Licence fees	5 131 180	(4 996 893)	134 287	5 131 180	(4 757 385)	373 795
Verification Database	380 825	(353 416)	27 409	380 825	(326 010)	54 815
Automation Workflow Under Development	7 057 212	-	7 057 212	2 907 200	-	2 907 200
<b>Total</b>	<b>43 217 322</b>	<b>(34 883 103)</b>	<b>8 334 219</b>	<b>39 067 309</b>	<b>(34 215 328)</b>	<b>4 851 981</b>



**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****Reconciliation of intangible assets - 2023**

	Figures in Rand			
	Opening balance	Additions	Amortisation	Total
Other Software	56 213	-	(8 634)	47 579
DFQEAS Workflow Software	854 857	-	(136 173)	718 684
NLRD Software	388 116	-	(194 057)	194 059
SAQA Website	216 985	-	(61 995)	154 990
License fees	373 795	-	(239 508)	134 287
Verification Database	54 815	-	(27 407)	27 408
Automation of Workflow Under Development	2 907 200	4 150 012	-	7 057 212
	<b>4 851 981</b>	<b>4 150 012</b>	<b>(667 774)</b>	<b>8 334 219</b>

**Reconciliation of intangible assets - 2022**

	Figures in Rand				
	Opening balance	Additions	Disposals	Amortisation	Total
Other software	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>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****5. Receivables from exchange transactions**

	Figures in Rand	
	2023	2022
Trade debtors	5 046 728	2 613 080
Provision for credit loss	(597 276)	(499 517)
	<b>4 449 452</b>	<b>2 113 563</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**

	Figures in Rand	
	2023	2022
Opening balance	499 517	1 007 962
Increase/(Decrease) in provision for credit loss	97 759	(508 445)
	<b>597 276</b>	<b>499 517</b>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

## Trade and other receivables past due but not impaired

Trade and other receivables which are less than 1 year past due are not considered to be impaired. The ageing of amounts past due net of impairment is as follows:

	Figures in Rand	
	2023	2022
Current	3 333 466	1 448 063
2 months past due	622 107	234 091
>2 months	493 879	431 409
	<b>4 449 452</b>	<b>2 113 563</b>

As at 31 March 2023, there were no other receivables from non-exchange transactions that were impaired.

**6. Prepayments**

	Figures in Rand	
	2023	2022
Subscriptions	-	1 240 358
ICT maintenance and software	2 059 314	1 918
Memberships	40 505	-
Insurance	527 083	-
	<b>2 626 902</b>	<b>1 242 276</b>

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Non-current: Prepayments	857 817	-
Current: Prepayments	1 769 085	1 242 276
<b>Total prepayments</b>	<b>2 626 902</b>	<b>1 242 276</b>

### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

	Figures in Rand	
	2023	2022
Cash on hand	3 526	6 187
Bank balances	8 487 438	13 681 328
Other cash and cash equivalents (Investment with CPD)	92 017 809	48 490 507
	<b>100 508 773</b>	<b>62 178 022</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 the CPD. The interest rate fluctuates in line with the movements in current money market rates.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 8. Finance lease obligation

	Figures in Rand	
	2023	2022
Minimum lease payments due		
- within one year	76 390	183 329
- in second to fifth year inclusive	-	76 390
<b>Present value of minimum lease payments</b>	<b>76 390</b>	<b>259 719</b>
<b>Present value of minimum lease payments due</b>		
- within one year	76 390	183 329
- in second to fifth year inclusive	-	76 390
	<b>76 390</b>	<b>259 719</b>
Non-current liabilities	-	76 390
Current liabilities	76 390	183 329
	<b>76 390</b>	<b>259 719</b>

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 Telephone Communication 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) month contract with 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.

**10** NOTES TO THE ANNUAL FINANCIAL STATEMENTS**9. Deferred income**

Unspent conditional grants and receipts comprises of:

	Figures in Rand	
	2023	2022
Foreign Qualifications Evaluation Services	840 672	3 416 492
Automation Project	-	4 079 440
Verifications	566 015	676 074
	<b>1 406 687</b>	<b>8 172 006</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 attaching to Government assistance that has been recognised.

**10** NOTES TO THE ANNUAL FINANCIAL STATEMENTS**10. Provisions**

	Figures in Rand			
	Opening Balance	Additions	Reversed during the year	Total
<b>Reconciliation of provisions - 2023</b>				
Provision for leave	1 976 318	2 033 364	(1 976 318)	2 033 364
Provision for performance bonus	1 008 237	4 686 950	(1 008 237)	4 686 950
	<b>2 984 555</b>	<b>6 720 314</b>	<b>(2 984 555)</b>	<b>6 720 314</b>
<b>Reconciliation of provisions - 2022</b>				
Provision for leave	5 243 400	1 976 319	(5 243 400)	1 976 319
Provision for performance bonus	-	1 008 237	-	1 008 237
	<b>5 243 400</b>	<b>2 984 556</b>	<b>(5 243 400)</b>	<b>2 984 556</b>

Bonus provisions will be paid out each year in terms of the Policy on Performance Management and Development. Any provision made in terms of the bonus was calculated with the assumption that the employee qualifies for the award.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 11. Payables from exchange transactions

	Figures in Rand	
	2023	2022
Trade payables	1 460 624	274 432
Payroll accruals	1 915 088	517 478
Accrued expense	2 224 178	1 212 880
Debtors with negative balances	368 563	453 823
Suspense Account-Bank transfers	-	14 541
	<b>5 968 453</b>	<b>2 473 154</b>
<b>The ageing of payables is as follows:</b>		
Current	-	237 795
2 months past due	375 091	-
> 2 months	1 085 532	36 637
	<b>1 460 623</b>	<b>274 432</b>

The ageing for payables calculates the number of days from the date of the invoice and not from the date the invoice is received from the supplier.

### 12. Revenue

	Figures in Rand	
	2023	2022
Rendering of services	51 620 299	47 437 773
Rental income	145 338	125 213
Interest received	4 912 882	1 249 631



**10** NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Figures in Rand	
	2023	2022
Reversal of provision for credit loss	-	508 445
Sundry Income	4 465 159	1 041 819
Gain on foreign exchange	-	8 174
Gain on disposal of assets	110 124	-
Government grants & subsidies	81 164 000	82 793 000
Automation grant	4 079 440	5 720 560
	<b>146 497 242</b>	<b>138 884 615</b>
<b>The amount included in revenue arising from exchanges of goods or services is as follows:</b>		
Rendering of services	51 620 299	47 437 773
Rental Income	145 338	125 213
Interest received	4 912 882	1 249 631
Reversal of provision for credit loss	-	508 445
Sundry Income	4 465 159	1 041 819
	<b>61 143 678</b>	<b>50 362 881</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Transfer revenue</b>		
Government grants & subsidies	81 164 000	82 793 000
Automation Project Grant	4 079 440	5 720 560
	<b>85 243 440</b>	<b>88 513 560</b>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****13. Lease rentals on operating lease**

	Figures in Rand	
	2023	2022
<b>Equipment</b>		
Contractual amounts	102 878	109 700

**14. Government grants & subsidies**

	Figures in Rand	
	2023	2022
Operating grants		
Government grant: DHET	81 164 000	82 793 000
Automation Project Grant	4 079 440	5 720 560
	<b>85 243 440</b>	<b>88 513 560</b>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****15. Employee-related costs**

	Figures in Rand	
	2023	2022
Basic salaries and other	60 382 748	50 001 570
UIF	321 919	267 334
SDL	533 698	554 304
Defined contribution plan	5 957 054	6 198 204
13th Cheque	2 484 972	2 471 588
	<b>69 680 391</b>	<b>59 493 000</b>

**16. Depreciation and amortisation**

	Figures in Rand	
	2023	2022
Property, plant and equipment	3 134 016	3 629 314
Intangible assets	667 774	1 726 584
	<b>3 801 790</b>	<b>5 355 898</b>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****17. General expenses**

	Figures in Rand	
	2023	2022
Advertising	7 524	30 117
Building costs: Rates and taxes	1 195 149	1 246 801
Auditors remuneration (refer to note 18)	2 196 362	1 824 824
Bank charges	821 639	855 744
Cleaning	1 003 532	943 151
Computer expenses	1 877 571	3 116 585
Consulting and professional fees	1 834 421	3 754 159
Flowers	2 052	-
Insurance	144 450	334 446
Conferences and seminars	246 316	314 065
Magazines, books and periodicals	-	11 656
Motor vehicle expenses	5 354	9 604
Recruitment costs	300 802	52 024
Postage and courier	73 683	929 617
Printing	414 731	293 840
Repairs and maintenance	986 557	1 274 436
Computer software licensing	3 308 479	751 262
Building costs: Security Services	1 820 027	1 663 849

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****17. General expenses (Continued)**

	Figures in Rand	
	2023	2022
Staff welfare	68 993	11 675
Subscriptions and membership fees	26 946	188 515
Telephone and fax	169 328	200 627
Training	187 983	215 655
Travel - local	975 349	62 149
IT Support and Maintenance	7 476 482	4 707 420
Assets expensed	7 995	29 915
Building costs: Electricity and Water	1 670 174	1 079 999
Verification fees	16 952	32 500
Stationery	81 609	23 718
Staff refreshments	256 821	70 231
Committee members attendance fees	855 997	945 742
Educational assistance	202 905	-
Project expenditure	231 581	-
Document storage costs	167 502	140 635
Website hosting and maintenance costs	524 922	382 346
	<b>29 160 188</b>	<b>25 497 307</b>

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 18. Auditors' remuneration

	Figures in Rand	
	2023	2022
External audit	1 801 225	1 370 072
Internal audit	395 136	454 752
	<b>2 196 361</b>	<b>1 824 824</b>

### 19. Cash generated from operations

	Figures in Rand	
	2023	2022
Surplus	43 654 236	47 850 874
<b>Adjustments for:</b>		
Depreciation and amortisation	3 801 790	5 355 898
(Gain)/Loss on disposal of assets	(110 124)	254 132
Gain on foreign exchange	-	(8 174)
Bad debts written off	-	91 091
Movements in provisions	3 735 758	(5 626 589)
Other non-cash items	5	405 696
<b>Changes in working capital:</b>		
Inventories	-	232 612
Receivables from exchange transactions	(2 335 889)	935 027
Prepayments - current	(526 809)	(622 081)
Prepayments - non-current	(857 817)	-
Payables from exchange transactions	3 495 305	(7 114 778)
Deferred income	(6 765 319)	2 586 188
	<b>44 091 133</b>	<b>44 339 896</b>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****20. Commitments**

	Figures in Rand	
	2023	2022
<b>Approved and contracted</b>		
ICT and NQF MIS	13 531 734	21 971 481
Facilities costs	14 579 443	18 251 098
Professional services	3 185 527	8 717 816
	<b>31 296 704</b>	<b>48 940 395</b>

	Figures in Rand	
	2023	2022
<b>Approved and not yet contracted</b>		
ICT and NQF MIS	20 873 039	-
Professional services	10 000 000	-
	<b>30 873 039</b>	<b>-</b>

SAQA awarded a tender to Postnet for the provision of courier services for an amount of R12 million to deliver certificates to verification applicants. Included in Facilities costs is a commitment of R8.3 million for Postnet, which is not anticipated to be fully utilised due to physical certificates being replaced with e-certificates which reduces the need to use courier services.

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****21. Commitments-Operating leases**

## Total commitments

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.

## Operating leases - as lessee (expense)

	Figures in Rand	
	2023	2022
Minimum lease payments due		
- within one year	30 427	162 704
- in second to fifth year inclusive	16 560	14 054
	<b>46 987</b>	<b>176 758</b>

SAQA entered into a new contract for water coolers effective 7 April 2022 for a period of 36 months. The lease payment is R1 380 per month, and there are no built-in price escalations in the lease agreement.

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.

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.



## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 22. Related parties

Parties related to the South African Qualifications Authority	
Relationship	Name of related party
Controlling entity	Department of Higher Education and Training
Council of Higher Education (under common control)	Council of Higher Education
Umalusi (under common control)	Umalusi
Quality Council for Trades and Occupations (under common control)	Quality Council for Trades and Occupations (under common control)
Board and committee members	Non-executive management
Senior management	Key management personnel

#### Nature of related parties

All parties that have the ability to control or exercise significant influence over SAQA in making financial and operating decisions were considered to be related parties of the organisation. SAQA operates under the umbrella of the Department of Higher Education and the relevant Executive Authority is the Minister of Higher Education.

Transactions with Board members and Senior Management of SAQA consist of remuneration and are disclosed in Notes 22 and 23 to the financial statements.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Transactions with SAQA's principal departments and their public entities:

	Figures in Rand	
	2023	2022
Grant		
Department of Higher Education and Training	81 164 000	82 793 000
Department of Higher Education and Training (Automation Project)	4 079 440	9 800 000
	<b>85 243 440</b>	<b>92 593 000</b>
<b>Funds received from related parties (Revenue)</b>		
Council for Higher Education (CHE)	208 800	295 498
Department of Higher Education and Training	1 054 350	-
BankSETA	6 000	-
FPMSETA	6 000	-
LGSETA	6 000	-
ServicesSETA	5 000	-
EDTPSETA	1 300 998	-
Department of Higher Education and Training	31 305	295 860
<b>Funds paid to related parties (Expenditure)</b>		
Umalusi	16 952	32 500
Council for Higher Education (CHE)	5 600	-
	<b>22 552</b>	<b>32 500</b>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

	Figures in Rand	
	2023	2022
<b>Related party balances</b>		
Council for Higher Education (CHE)	136 000	84 800
Umalusi	1 664	-
Department of Higher Education and Training (Automation Project)	-	4 079 440
Department of Higher Education and Training	1 535	430
FPMSETA	500	-
LGSETA	1 500	-
ServicesSETA	9 000	-
EDTPSETA	88 899	-

## Nature of the related parties' transactions

The transactions with related parties indicates the amounts received/receivable from related parties during 2022/23.

## Nature of related parties' balances

The balances with related parties indicate the outstanding balance to be received and the amount remaining to be utilised in 2022/23. The balances disclosed are interest-free and not secured.

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

## Remuneration of Non-Executive directors

## Non-Executive directors

2023

Name	Board Fees	Q&S Professional Bodies Committee	I & IT Committee	Travel & Other Costs	Total
Dr P Lolwana, Chairperson	395 555	-	-	-	395 555
Ms JC Agulhas	22 014	18 584	-	1 000	41 598
Mr AO Benjamin	11 007	-	-	-	11 007
Mrs LM Bezuidenhout	-	11 007	-	300	11 307
Ms S Daya	-	-	11 007	300	11 307
Dr CF Von Eck	-	11 007	-	300	11 307
Mr BM Gantile	11 007	18 345	-	800	30 152
Dr JA Keevy	22 014	37 168	-	1 100	60 282
Mr LM Koyana	4 646	-	-	100	4 746
Dr AC Kriel	-	14 676	-	400	15 076
Mr MM Mafisa	18 345	-	13 938	800	33 083
Ms T Mkhize	-	22 014	-	600	22 614
Mr OJ Mokgoantle	-	-	14 676	400	15 076
Ms EF Nyaka	-	4 646	-	856	5 502
Ms N Mansoor	-	33 021	-	2 028	35 049
Dr J Phala	-	33 021	-	1 272	34 293
Ms S Ferndale	-	29 352	-	1 272	30 624
	<b>484 588</b>	<b>232 841</b>	<b>39 621</b>	<b>11 528</b>	<b>768 578</b>

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Fees paid to Audit and Risk Committee members

Name	Audit Committee Fees	Travel and Other Cost	Total
Mr AO Benjamin	14 676	100	14 776
Mr LM Koyana	13 938	300	14 238
Ms S Maharaj	14 676	400	15 076
Mr OJ Mokgoantle	14 676	400	15 076
Mr T Tshikovhi	23 968	4 931	28 899
	<b>81 934</b>	<b>6 131</b>	<b>88 065</b>

### 2022

Name	Board Fees	Q&S Professional Bodies Committee	I & IT Committee	Travel and Other Costs	Total
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
Mr S Muller	-	29 352	-	800	30 152
Mr RP Zwane	-	-	3 669	100	3 769
Ms PN Sibaya	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>

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 23. Senior managers' emoluments

2023

Name	Basic Salary	Medical Aid Allowance	Housing Allowance	Cash Allowance	Other Allowance/ Back pay	Contribution to Retirement Plan	Appreciation Bonus	Leave Payout	Total
Dr KB Reddy, Chief Executive Officer: Retired November 2022	887 798	23 685	30 675	81 695	47 183	142 048	173 979	165 301	1 552 364
N Starr, Chief Executive Officer: From December 2022	517 546	11 843	15 338	5 085	1 695	68 926	-	-	620 433
N Naidoo, Executive: Governance, People and Strategy: Resigned September 2022	517 651	17 764	23 007	-	9 525	76 553	126 995	89 536	861 031
Mrs P Flanagan, Acting Executive: Governance, People and Strategy: October 2022	-	-	-	-	56 099	-	-	-	56 099
N Starr, Executive: National Qualifications Framework: Promoted - November 2022	660 440	23 685	30 676	1 695	38 509	105 670	-	-	860 675
F Netili, Executive: Chief Financial Officer: Dismissed: August 2022	425 214	13 072	16 930	35 434	-	77 043	-	54 501	622 194
I Gumbochuma, Executive: Chief Financial Officer	530 121	14 803	19 172	52 652	-	84 819	-	-	701 567
Mrs PV Flanagan, Senior Manager: People Management	883 655	35 528	46 013	8 475	44 882	130 227	107 319	-	1 256 099
Mr JHA Nel, Senior Manager: Registration & Recognition	883 655	35 528	46 013	8 475	44 882	130 227	107 319	-	1 256 099
Dr H Bolton, Director: Research	930 247	35 528	46 013	8 475	46 894	148 840	113 906	-	1 329 903
Mr LSJ Ntsioa, Senior Manager: ICT: Resigned November 2022	626 707	20 724	26 841	-	-	87 375	-	84 620	846 267
Mr M Mudau, Senior Manager: Authentication Services: Resigned December 2022	762 725	26 646	34 510	3 390	37 153	113 140	-	69 068	1 046 632
	<b>7 625 759</b>	<b>258 806</b>	<b>335 188</b>	<b>205 376</b>	<b>326 822</b>	<b>1 164 868</b>	<b>629 518</b>	<b>463 026</b>	<b>11 009 363</b>

**10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS****23. Senior managers' emoluments (Continued)**

2022

Name	Basic Salary	Medical Aid Allowance	Housing Allowance	Other Allowances/ Benefits	Contribution to Retirement plan	13th 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)	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	1 291 704
Dr H Bolton, Senior Manager: Research	888 951	35 528	46 013	9 740	143 354	-	-	49 764	1 173 350
WS Radu, Senior Manager: Authentication Services, Resigned: December 2021	575 846	26 646	34 510	52 220	92 770	-	20 332	46 509	848 833
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>10 993 048</b>

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 24. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

#### Statement of financial position

2022

	Figures in Rand			
	As previously reported	Correction of error	Re-classification	Restated
Receivables from exchange transactions	2 167 448	(53 884)	-	2 113 563
Payables from exchange transactions	(4 517 680)	68 208	1 976 318	(2 473 154)
Provisions	(1 008 237)	-	(1 976 318)	(2 984 556)
Deferred income	(7 680 273)	(491 734)	-	(8 172 006)
	<b>(11 038 742)</b>	<b>(477 410)</b>	-	<b>(11 516 153)</b>

During the year it was discovered that the Deferred income: Evaluation fees prior year audited schedule was understated by R491,733 when compared to recalculated amounts. The adjustment passed has resulted in an increase in the Deferred income balance and a corresponding decrease in Evaluations income.

Management discovered that the journal adjustment passed for raising the Provision for the 13th cheque and the Provision for bonus was incorrectly captured in the same account. The Payables from exchange transactions and Provision line items were effected. This has been adjusted by correcting the relevant accounts.

Management has also discovered that the Provision for leave was classified under Payable from exchange transactions instead of classifying it as a Provision. This has been reclassified accordingly. Secondly, the provision for the 13th Cheque was also reclassified under Payables from exchange transactions as management considers this as an accrual and not a provision.



**10** NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## Statement of financial performance

2022

	Figures in Rand		
	As previously reported	Correction of error	Restated
Sundry income	(987 935)	(53 885)	(1 041 819)
Loss on disposal of assets	200 247	53 885	254 132
General expenses	24 236 500	(13 628)	24 222 872
Employee-related costs	59 493 697	(695)	59 493 001
Rendering of services	(47 929 506)	491 733	(47 437 773)
	<b>35 013 003</b>	<b>477 410</b>	<b>35 490 413</b>

During the year it was discovered that the Deferred income: Evaluation fees prior year schedule was understated by R491,733 when compared to recalculated amounts. The adjustment has resulted in a decrease in revenue for the prior year and a corresponding decrease in the net surplus amount. The other prior period adjustments relate to income and expense accruals that were incorrectly accounted for in the prior financial year.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 25. Financial risk management

#### Financial risk factors

The gearing in 2023 and 2022 respectively was as follows:

	Note(s)	Figures in Rand	
		2023	2022
<b>Total borrowings</b>			
Finance lease obligation	8	76 390	259 719
Payables from exchange transactions	11	5 968 452	2 473 154
		<b>6 044 842</b>	<b>2 732 873</b>
Total debt		6 044 842	2 732 873
Total equity		123 709 956	80 055 718
<b>Net equity</b>		<b>117 450 242</b>	<b>77 322 845</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.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The maximum exposure to credit risk is as follows:

	Figures in Rand	
	2023	2022
Receivables from exchange transactions net of provision for credit loss (note 5)	4 449 452	2 113 563

### 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 11 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 Bills 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.

### Exposure to interest rate risk

	Average variable interest rate%	Figures in Rand	
		2023	2022
Cash and cash equivalents (note 7)	5	100 508 773	62 178 022

### Fair values

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

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Retirement benefit obligations

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

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

### 26. Going concern

We draw attention to the fact that at 31 March 2023, the entity had an accumulated surplus of R123 709 956 and that the entity's total assets exceed its liabilities by R123 709 956.

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

### 27. Subsequent events

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

#### Nature of the events

Approval was granted by the Minister to sell SAQA Building in the previous financial year.

During the period under review, the entity secured the services of a property practitioner to obtain a buyer for the building which is still in progress.

This is classified as a non-adjusting events as the property was used by the owner for administration purposes and therefore cannot be reclassified as property held for sale as there is no formal offer to purchase concluded to date.

The CCMA issued an Arbitration Award in favour of a former SAQA employee, to the effect that the former employee be reinstated from 5 June 2023 with backpay from September 2022 to May 2023.

SAQA lodged a review Application at the Labour Court in order to effectively stay the enforcement of the Arbitration Award.

In terms of section 145 of the Labour Relations Act (LRA), for SAQA to stay the enforcement of the arbitration award, SAQA was to provide security in the amount of R3 036 792 which equates to 24 months of the former employee salary. This security was provided as a deposit into SAQA Attorneys trust account. The case is envisaged to be finalised within 24 months.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 28. Change in Accounting estimate

	Figures in Rand	
	2023	2022
Impact on changes in accounting estimates		
Increase in net surplus	639 625	933 433
Decrease in depreciation on furniture and fixtures	(43 297)	(45 983)
Decrease in depreciation on motor vehicles	-	(13 026)
Decrease in amortisation on intangible assets	(279 100)	(503 383)
Decrease in depreciation on IT equipment	(289 982)	(342 600)
Decrease in depreciation on buildings	(27 246)	(28 441)
	-	-

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 R639,625 for 2022/23, 2021/22: R933,433.

### 29. Fruitless and wasteful expenditure

There was no fruitless and wasteful and irregular expenditure incurred and reported for the period under review.

SAQA has assessed the level of materiality for fruitless and wasteful expenditure to be:

R1 and above which results from irregular, fruitless or wasteful expenditure caused by gross negligence or criminal conduct.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 30. Irregular expenditure

	Figures in Rand	
	2023	2022
Irregular expenditure - current	-	496 800

#### Disciplinary steps taken/Criminal proceedings

An irregular expenditure of R496 800 was incurred in the prior year and comprises a non-responsive request for a quotation awarded amounting to R496 800. SAQA conducted an internal disciplinary hearing of the three Bid Evaluation officials on the 13th of December 2022 and the outcome was a verbal warning that was issued to the implicated officials. The irregular expenditure of the prior year was written off in the current financial year.

National Treasury issued Instruction No. 4, effective 1 January 2023 that did not impact the amounts disclosed in the current or prior financial year.

### 31. Budget differences

#### Differences between budget and actual amounts presented

The approved budget covers the period from 1 April 2022 to 31 March 2023, which is based on the MTEF budget allocation that is published in the ENE by National Treasury. The budget and the accounting bases differ. The annual financial statements for 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. A separate statement has been prepared on a comparable basis with the actual amounts from the financial statements and the approved budget has been disclosed as required by GRAP 24.

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.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Material differences between budget and actual amounts

### 31.1. Revenue

#### Rendering of services:

There is a favourable 44% variance comparing the actual and budgeted amounts. There has been a large volume of applications for verifications and evaluation services that have resulted in additional income being generated during the financial year.

#### Interest received:

SAQA generated an additional 287% in interest earned over its budget. During the year surplus funds have been invested in the CPD account which has generated a significant stream of revenue for the organisation. SAQA shall seek to hold these cash equivalents for any commitments or unforeseen expenditures that may arise.

#### Sundry income:

Sundry income relates to income not generated from SAQAs core operations. The favourable variance is largely attributable to income from the research department, arising mainly from revenue generated by research projects. An amount of R2.8 million was generated from the unit during the financial year.

### 31.2 Expenditure

#### Employee-related costs:

SAQA has underspent on its staff budget by 18%. There have been a number of senior position terminations during the financial year that have resulted in savings on this line item. Each year sufficient budget is maintained for any cost of living adjustments announced by the DPSA or to fund any organogram changes. In November 2022, the DPSA cost of living adjustments were implemented for all permanent staff in line with the DPSA-issued circulars.

#### Depreciation and amortisation:

Depreciation and amortisation are non-cash items and are accounted for in terms of SAQA's accounting policies and the relevant GRAP standards. In the 2022/23 APP, a budget for depreciation and amortisation was included by error.

#### Repairs and maintenance:

The ageing building infrastructure and premises requires service and maintenance on an ongoing basis to ensure that the building remains in a good state. During the year SAQA over-spent by R664 556 due to planned and unplanned repairs and maintenance.

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### General expenses

There is an underspending of 8% against the budget. SAQA continues to monitor expenditure and implement cost containment measures to ensure financial resources are managed optimally. ICT and building related-costs are SAQA's major cost items. A number of ICT-related projects including automation which requires large outlays of funding to improve the operational aspect of the business.

The ageing state of the building requires SAQA to fund repairs and maintenance in order to keep the building in a safe condition.

Postage and courier costs have significantly decreased since the issuing of e-certificates to verification applicants and therefore there is significant budget saving related to the line item.

### Capitalised expenditure

The automation project costs expended during the year consist of R4.1 million of capex that relates to intangible assets-work in progress. The capital expenditure on intangible assets comprise 74% of the total additions during the financial year.

## 32. Contingent liabilities

	Figures in Rand	
	2023	2022
Labour issues		
Labour-related cases	27 356 312	25 147 762
Court case	1 000 000	-
Unspent funds	90 786 382	-
	<b>119 142 694</b>	<b>25 147 762</b>

### 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 took SAQA to CCMA claiming unfair labour practices. As at the date of this report, the matter has not progressed following a referral from the CCMA to the Labour Court.



## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### LABOUR COURT CASE

#### Matter 1

The applicant lodged a claim for unfair dismissal and the matter was set down for arbitration on 2 September 2022. SAQA awaits a legal ruling on the matter.

### COURT CASE

#### Matter 1

The matter is about the SA School of Diplomacy challenging the PSETA, QCTO, SAQA and Minister of International Relations for not granting them accreditation to offer 2 diplomatic qualifications.

Subsequent to the meeting, the applicant sent a response containing their revised terms of the settlement. In addition to the lifting of the ringfencing on the two historic qualifications they now require the respondents to warranty that some occupational qualifications and unit standards will not be restricted, that the PSETA and QCTO will grant accreditation on some qualifications and a reduced claim on compensation.

This legal case is unresolved and it still in progress.

### UNSPENT FUNDS

SAQA will apply to National Treasury for retention of the cash surplus after the finalisation of the external audit. The cash surplus was based on the calculation below:

Cash and cash equivalents (note 7)	R100 508 773
Add: Receivables from exchange transactions (note 5)	R4 449 452
Less: Payables from exchange transactions (note 11)	R5 968 452
Less: Finance lease obligation (note 8)	R76 390
Less: Provisions (note 10)	R6 720 314
Less: Deferred income (note 9)	R1 406 687
Cash surplus	R90 786 382

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 33. Financial instruments by category

	Figures in Rand	
	2023	2022
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents (note 7)	100 508 773	62 178 022
Receivables from exchange transactions (note 5)	4 449 452	2 113 563
	<b>104 958 225</b>	<b>64 291 585</b>

### 34. Financial liabilities by category

	Figures in Rand	
	2023	2022
<b>Financial liabilities at amortised cost</b>		
Financial lease obligation (note 8)	76 390	259 719
Payables from exchange transactions (note 11)	5 968 452	2 473 154
	<b>6 044 842</b>	<b>2 732 873</b>
<b>Amounts recognised in the statement of financial performance</b>		
<b>Financial assets</b>		
Interest on financial assets at amortised cost	4 912 882	1 249 631

## 10 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Liquidity risk

The entity minimises this risk by ensuring that working capital is available to cover its current liabilities through analysis of the commitments against the cash available in our current and investment accounts.

	Figures in Rand	
Financial assets	2023	2022
Cash and cash equivalents (note 7)	100 508 773	62 178 022
Receivables from exchange transactions (note 5)	4 449 452	2 113 563
	<b>104 958 225</b>	<b>64 291 585</b>

The following table provides information regarding the maturity analysis of the entity's undiscounted contractual cash flows:

	Figures in Rand		
Financial liabilities	Less than 1 year	Between 2 - 5 years	2023
Finance lease obligation (note 8)	76 390	-	76 390
Payables from exchange transactions (note 11)	5 968 452	-	5 809 278
	<b>6 044 842</b>	<b>-</b>	<b>5 885 668</b>

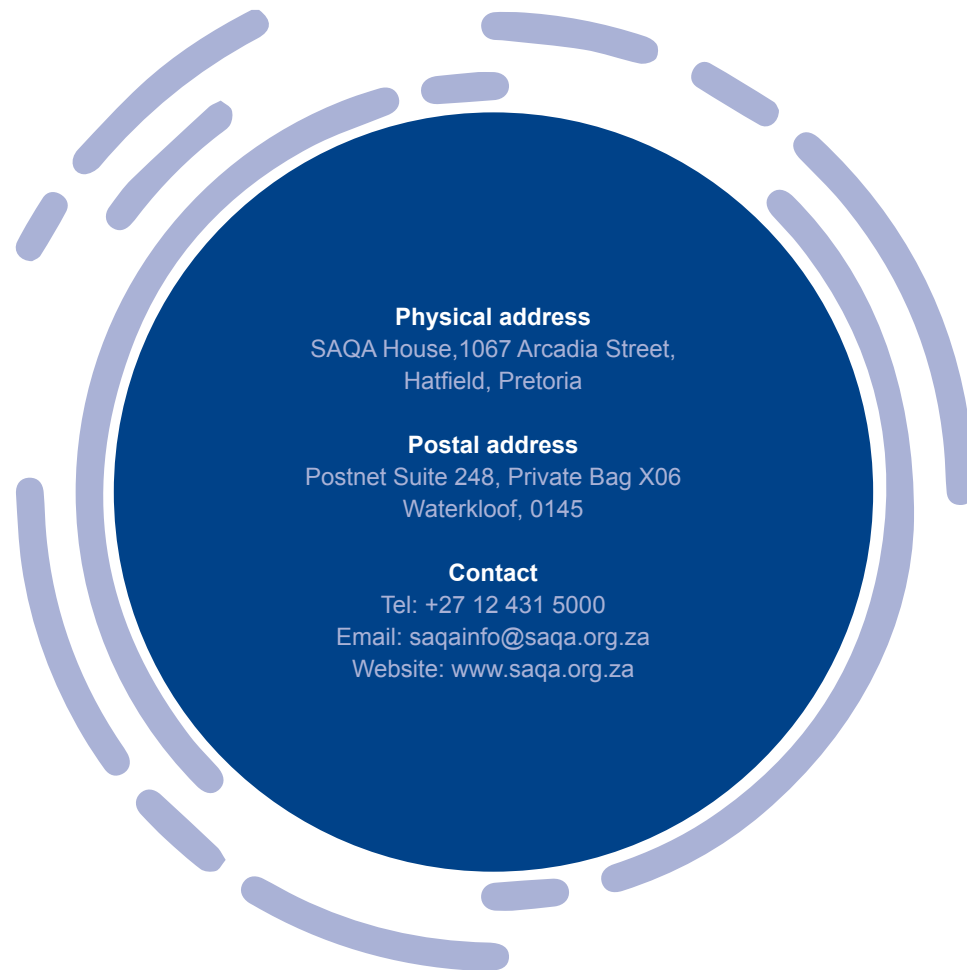
	Figures in Rand		
	Less than 1 year	Between 2 - 5 years	2022
Finance lease obligation (note 8)	183 329	76 390	259 719
Payables from exchange transactions (note 11)	2 473 154	-	2 473 154
	<b>2 656 483</b>	<b>76 390</b>	<b>2 732 873</b>











**Physical address**

SAQA House, 1067 Arcadia Street,  
Hatfield, Pretoria

**Postal address**

Postnet Suite 248, Private Bag X06  
Waterkloof, 0145

**Contact**

Tel: +27 12 431 5000

Email: [saqainfo@saqa.org.za](mailto:saqainfo@saqa.org.za)

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

