Procedures for the Monitoring and Auditing of ETQAs
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Publication date: December 2001

ISBN: 09-584419-8-7

Funded by the European Union under the European Programme for Reconstruction and Development

The views expressed in this publication are not necessarily those of the funder
Procedures for the Monitoring and Auditing of Education Training Quality Assurance bodies

THE SOUTH AFRICAN QUALIFICATIONS AUTHORITY
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Note to the Reader

These guidelines set out proposed policy, rules and procedures for the monitoring and auditing of ETQAs by SAQA.

The production of these guidelines was informed by a research phase in which SAQA staff and representatives of ETQAs participated in focus groups to discuss the fundamental challenges which arise in a monitoring and auditing process. Representatives of ETQAs and SAQA staff also participated in a seminar held on 25 June 2001 to discuss in more detail the contents of these guidelines. Our thanks are due to the many SAQA staff and ETQA representatives who contributed invaluable information and ideas in these discussions, which helped in very direct ways to shape these proposals.

If you are working on screen with the hyperlinked version of this report, you can left-click at various points where you see a highlighted reference, for example Schedule A. This will take you to the relevant point within this document. Wherever the hyperlink takes you, you can return instantly to where you were reading by left-clicking the ‘back’ arrow on your web toolbar.

If your web toolbar is not visible, select ‘View’ followed by ‘Toolbars’, and tick the ‘Web’ bar. If you don’t want this facility permanently on your screen, repeat this operation and deselect the ‘Web’ bar.

The hyperlinks are especially useful if you would like to get a quick overview of the whole document. For example, you can begin reading the document at Part Three, and use the hyperlinks to ‘skip’ backwards or forward to other relevant sections of the document.

Paul Musker
Paul Musker and Associates
July 2001
These guidelines have been produced for the South African Qualification Authority (referred to below as ‘the Authority’). The guidelines set out a model for the Authority to employ when monitoring and auditing Education and Training Quality Assurance Bodies (ETQAs).

Given their proximity to providers of education and training, the role of ETQAs in quality management is central. In Quality Management Systems for ETQAs (SAQA, 2000), the following useful role distinctions were drawn in terms of what the document refers to as the ‘NQF Organisation’:

In many ways, the NQF System is comparable to a large organisation, having a clear and shared purpose laid out in the Act. Within the “NQF Organisation” SAQA creates the vision, sets the policies, defines the timetable, delegates the tasks and defines quality of performance for those to whom they are delegated. It is the equivalent of the Board and senior executive of an organisation. The SGBs define the service standards in terms of the specific outcomes that should match the vision described by SAQA. The Providers are the powerhouses, the productive unit, the creators and constituent Providers of the service. The ETQAs have the quality audit and assurance role.

But what of the NSBs and the suggested Moderating Bodies? What is their role within this organisation? Their task is complex and diverse. As already discussed, the NQF entails providing services that are diverse in the content, as diverse as the customers for the service. By creating multiple NSBs, to act in essence as agents of SAQA, this diversity is managed. SAQA requires that each NSB include representation from the various stakeholders for the ultimate service. In this way, SAQA is seeking to ensure that the standards developed by individual SGB reflect the vision, address the problems identified and meet the needs of the diverse stakeholders. They are to quality assure the standards setters.

The potential Moderating Bodies have a similar role. To simplify operations, Providers are to be served by a single ETQA, but the implementation of standards is not to be limited to a particular sector of Providers. (Indeed this would be contrary to two of the goals of the Act, the development of an integrated framework and enhanced mobility between the different parts of the system of Providers). So different ETQAs will be quality-assuring services based on the same standards. Mobility and credibility will depend on an adequately consistent interpretation of the standards by all that use them. The role of the Moderating Bodies will be to assure this consistency across ETQAs. They too are agents of SAQA.

(Quality Management Systems for ETQAs, page 12)

1 The primary customers of the “NQF Organisation” are learners.
The crucial role of the ETQAs in what is referred to as the ‘NQF organisation’ requires that the Authority develop a rigorous, effective approach to monitoring and auditing their quality assurance work. This function is referred to in the SAQA Act:

3(3) An organisation seeking accreditation as an Education and Training Quality Assurance Body shall accept in writing

(a) the right of the Authority to examine at any time the activities of an Education and Training Quality Assurance Body and review its quality management policies and procedures;
(b) the right of the Authority to provide guidance on issues relating to the activities of an Education and Training Quality Assurance Body; and
(c) the right of members of the Education and Training Quality Assurance Body to approach the Authority directly on matters affecting the effectiveness of the Education and Training Quality Assurance Body; provided that reasonable steps to resolve such matters have been taken at the level of the Education and Training Quality Assurance Body.

It is the intention of the Authority that:

Accreditation of an ETQA, or the granting of an accreditation extension, should be seen as a two-way process between SAQA and the ETQA. The relationship should be seen as a mutually beneficial and reinforcing one, in which the interests of the learner and the users of learning outcomes are the principal focus for all concerned.²

In the monitoring and auditing of ETQAs, a challenge will be to ensure that this mutually beneficial relationship is maintained for the ultimate benefit of learners. In the research which has been conducted prior to the production of these guidelines, together with the consultative seminar at which the content of the guidelines was discussed, the hope was expressed that a model for auditing and monitoring of ETQAs can be designed in which this relationship is not only maintained but enhanced.

² Criteria and Guidelines for ETQAs (p.27). Pretoria: SAQA.
Part One:

Issues in the Design of a Monitoring and Auditing Framework

Issues of Principle in Monitoring and Auditing

In the research phase leading up to the production of these guidelines, respondents expressed the hope that a number of macro considerations will be addressed in the design and implementation of the monitoring and auditing process:

• The ultimate success of the ‘NQF Organisation’ in terms of benefits for learners, whose opportunities for employment and continuous learning must be enhanced.
• Redress for historically disadvantaged learners, including the recognition of prior learning.
• In short, the responsibility of the Authority to monitor and audit in terms of NQF principles and objectives is a central concern – seeing the ‘wood’ as well as the ‘trees’ is a key principle underpinning the monitoring and auditing of an ETQA.

The research phase also generated invaluable consensus regarding:

• definitions of terms;
• relationship issues;
• ethical issues;
• strategic approaches to monitoring and auditing;
• the nature of support which might be provided by the Authority to ETQAs;
• the profile of an Auditor in terms of issues such as integrity and competence;
• ETQA functions to be monitored and audited, including the central purpose of advancing the objectives of the NQF;
• the funding of monitoring and auditing activity;
• the possibility of disagreements over Audit outcomes;
• differentiation among different types of ETQAs;
• the role of other auditing bodies;
• the broad parameters of monitoring and auditing activity.

The nature of broad consensus on these issues is set out in the following sections. Then, in Part Two, the rules governing the monitoring and auditing framework are presented. To facilitate use of these guidelines, many of the detailed aspects of this framework are presented in Schedules attached as annexures to these guidelines. The inclusion of Schedules is also intended to facilitate revision of the guidelines as lessons are learned through implementation.
Definitions of Terms

The following broad definitions of monitoring and auditing apply:

Monitoring is a continuous process of review of quality. It can be conducted internally, or it can be the responsibility of an external agency. A combination of external and internal monitoring of quality is desirable. Monitoring has a formative emphasis. Feedback from the monitoring process will incorporate recommendations, and thus contribute directly to quality improvement.

An Audit is an event conducted within a specified period. The outcome of an Audit is a summative evaluation of attainment of quality. To generate an Audit Report, relevant information is interrogated against set criteria with the assistance of available evidence. Auditing may be the responsibility of an internal unit within the audited organisation, or of an external agency.

Internal auditing should be characterised by the highest possible degree of internal independence, but it is nevertheless formative in emphasis. An internal audit report should contribute in a direct way to organisational improvement.

An external Audit Report should have public credibility, since it is a formal process of verification of critical evidence that systems are, or are not, functional and satisfying critical criteria.

Monitoring processes and internal audits should feed into an external Audit Report. If monitoring and internal auditing processes generate useful perceptions and are successfully fed into improvement processes, an external Audit Report should typically not contain surprises. The Audit will rather cap and verify the processes of monitoring and internal auditing. If, conversely, the outcomes of an external Audit are unexpected, this would indicate that monitoring and internal auditing have failed to fulfill their functions.

The following additional points should be noted:

- Internal auditing is desirable, and should be characterised by the highest possible degree of internal independence. The SETA ETQA, for example, could be internally audited by SETA staff who are not located in the ETQA. In instances where ETQAs are listed with ISO9000, internal auditing will be compulsory. The results of an internal audit will feed into an external Audit.

- Information from internal monitoring must also feed into an external Audit.

- Monitoring is not judgmental; its focus is continuous self-improvement. ETQAs will be encouraged to use audit instruments on a continuous basis for the purpose of self-evaluation.

- An external Audit Report must have public credibility. It is a formal process of verification that there is critical evidence that an ETQA’s systems are functional and meeting the criteria established in law, as well as any accreditation conditions that may have been contractually agreed to.
• An external Audit Report will not contain recommendations as to how to address non-conformance, since Auditors (in a future Audit) might be effectively auditing their own work if they make recommendations which turn out to be unsound. A sharp distinction is drawn in these guidelines between monitoring (for support) and auditing (for non-conformance). The term ‘auditing’ is used in a strict sense, and is in many ways analogous to the use of the term in the field of compliance auditing.

• An external Audit may, where appropriate, lead to the drawing up of an addendum to the accreditation contract, in which binding targets and timeframes for improvement are agreed upon.

• Statistical information is needed regarding, for example, the number and identity of providers, applications for accreditation, numbers of application approved and rejected, and numbers of learners per provider. However, qualitative analysis of such statistical information is also crucial, to facilitate the identification of problems and trends in the ETQA system as a whole and in individual ETQAs. An example of such qualitative analysis might be the reasons for any rejections of accreditation applications. This kind of analysis would be typical in an in-depth Audit (see below).

• These guidelines do not address the specific concerns of SETA/ETQAs which are separately accountable to Parliament under their own legislation. Such issues are being addressed in direct conversation between the Authority and the ETQAs concerned. It is, however, intended that the procedures set out in the guidelines apply to all ETQAs.

Relationship Issues

The mutually reinforcing nature of the relationship between the Authority and ETQAs is crucial. It is acknowledged that monitoring and auditing by an external agency can generate tensions. However, a relationship based on trust is clearly desirable, and mechanisms are built into the monitoring and auditing procedures which strive to minimise the possibility of conflict.

Ethical Issues

The ethical dilemmas inherent in the monitoring and auditing process are addressed in detail in these guidelines. Salient points are set out in broad terms below:

• Because of its auditing role with respect to ETQAs, the Authority will not become involved in a hands-on sense in the work of ETQAs.

• The auditing process will be kept quite separate from monitoring and support. A strict definition of ‘auditing’ is adopted in these guidelines, which emphasises independence, integrity and public credibility, and which is distinct from monitoring, both in purpose and in terms of the identity of Auditors and Monitors.

• Therefore, if a person or organisation is a monitor for a particular ETQA, that person or organisation may not be an Auditor, or a member of an Auditing Panel, for the same ETQA.

More detailed ethical issues are addressed in subsequent sections of these guidelines, most particularly in Schedule B1.
Strategic Approaches to Monitoring and Auditing

Auditing in a context of relatively scarce resources has to be conducted strategically, in order to derive maximum benefit from those resources. Auditing will therefore take place as follows:

‘Regular Audits’ will be conducted every two years within agreed timeframes. They are firstly diagnostic: current attainment of quality in the performance of all the statutory functions of ETQAs is investigated in terms of the statutory criteria and in terms of any conditions that have been established in the accreditation contract.

‘Regular Audits’ are also prognostic: the likely future capacity of the ETQA to continue to maintain quality standards is examined.

Evidence from a variety of triangulated sources may indicate the need for an ‘in-depth Audit’ in particular instances. Such evidence would come from sources such as:

- Public perception (e.g. newspaper reports)
- Complaints to SAQA from:
  - Institutions or providers who take in learners certificated by that ETQA
  - The ETQA’s own providers
  - Partners in Memoranda of Understanding
  - Learners
  - Practitioners in the sector
  - NSBs, SGBs or other related bodies that have dealings with the ETQA
  - Related professional bodies
- Reports produced by the ETQA
- Regular Audit Reports

Such evidence might indicate that a particular ETQA is performing exceptionally well, or that it is not meeting the established criteria. In the latter case, an in-depth Audit will be compulsory. Where an ETQA is performing well, an in-depth Audit may generate useful lessons, but will not be compulsory.

An in-depth Audit will comprise a full descriptive analysis of quality attainment by the ETQA according to the established criteria. It will also analyse the causes embedded in the systems, structures and strategies of the ETQA which have led to particularly high or particularly low performance against these criteria. The richer descriptive analysis, and the analysis of causes of high or low performance, are the key distinguishing factors in the in-depth Audit.

An in-depth Audit will have the following possible outcomes:

- Like a regular Audit, an in-depth Audit may lead to an addendum to the accreditation contract, in which binding targets and timeframes for improvement are agreed upon.
- An in-depth Audit (particularly an Audit of a high-performing ETQA) may generate lessons for enhancement of quality across ETQAs.

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3 Providers will have a direct line of communication and appeal to SAQA in the event that they are dissatisfied with the actions or decisions of an ETQA. The procedures which should be followed in such cases are beyond the scope of these guidelines.
• Unlike a regular Audit, an in-depth Audit may, after all due procedures have been followed (including appeal procedures), lead to the de-accreditation of an ETQA.

The Nature of Support Provided by the Authority

An ethical dilemma is that the Authority is at the same time an accrediting body and a developmentally oriented organisation with ultimate responsibility for the success of the NQF, and therefore of the ETQAs. Forms of support which may be provided by the Authority are set out below.

Regular support provided by the Authority for an ETQA will be limited to assistance in drawing up a plan with timeframes in which the ETQA will meet certain criteria, and monitoring progress against such a plan. Diagnosing a problem in the course of the monitoring process is an instance of such an approach to support. This is located within the notion that the Authority will not give hands-on support to ETQAs.

Feedback is an important feature of support. Feedback offered as a result of external monitoring by the Authority should enable an ETQA to adopt corrective action prior to an external Audit.

Other forms of support will be provided as follows:
• Consultation with ETQAs to consider charges to be raised or waived in terms of ETQA Regulation 10 (R1127 of 8 September 1998).
• The management and continuous improvement of a SAQA website.
• Establishing and maintaining commonality in the interpretation of key terms, such as ‘learning programme’.
• Clarification of the implications of key processes, such as the approval of learning programmes or the assessment of unit standards.
• Occasional workshops to build ETQA capacity in areas such as the development and implementation of quality management systems, or establishing inter-ETQA relationships through memoranda of understanding.
• Setting guidelines for reporting, noting, where applicable, the need to align the Authority’s reporting requirements with Department of Labour (DoL) requirements, and also noting the important role of IT systems in the generation of appropriate information in appropriate forms.

Ensuring the Integrity and Competence of Auditors

The profile of an Auditor is a crucial aspect of these guidelines:
• An Auditor may be a staff member of the Authority or an external Auditor contracted by the Authority.
• An Auditor needs to have a profound understanding of the principles and objectives of the NQF.
• The possibility of establishing an Auditing Panel, comprising generic as well as sector-specific expertise, is an important feature of the auditing model set out in these guidelines.
The guidelines address the need for vigilance to avoid conflicts of interest.

The presence of a staff member of the Authority on an Auditing Panel is obligatory.

For the purpose of external auditing, the Authority will establish a Register of Auditors. The competence profile of an Auditor is defined in these guidelines. An Auditor may be registered or de-registered only by the Authority in terms of the criteria set out in these guidelines.

A staff member of the Authority responsible for the supportive monitoring of an ETQA may not be an Auditor or a member of an Auditing Panel for the same ETQA. Similarly, a person contracted by the Authority for the purpose of supportive monitoring of an ETQA may not be an Auditor or a member of an Auditing Panel for the same ETQA.

An Audit may be conducted by an Auditing Panel. In such cases, the Lead Auditor, who will manage the work of the panel, will have particularly profound knowledge of the ultimate objectives of the Audit in terms of NQF principles and objectives. An Auditing Panel will comprise a person or persons with generic knowledge of key issues such as moderation of assessment. An Auditing Panel will also comprise, where appropriate, a person or persons with sector-specific knowledge. While the Lead Auditor must be a registered Auditor, the Authority will exercise its discretion in each case as to whether all panel members should be registered Auditors.

The potential conflicts of interest of Auditors will be carefully scrutinised by the Authority, which, in addition to its general duty regarding the registration of Auditors, will approve the appointment of Auditors and Auditing Panel members for particular Audits.

**ETQA Functions to be Monitored and Audited**

It is clear in terms of the SAQA Act that the Authority must monitor and audit all ETQAs. What needs to be monitored and audited is also set out clearly in the relevant regulations. In summary, an ETQA must meet the following criteria:

1. There must be a justifiable need for the ETQA to be established in the sector in which it wishes to function. (A ‘sector’ may be a social sector, an economic sector or an education and training sub-system sector.)
2. The ETQA must demonstrate that it has a primary focus for its quality assurance activities based upon its association with the sector and the identified mission of the sector.
3. There must be no duplication of the functions or parts of the functions of another ETQA unless the Authority deems it to be necessary.
4. The ETQA must have sufficient capacity to perform the functions assigned to it by the Authority. These are:
   a. accredit constituent providers for specific standards or qualifications registered on the NQF;
   b. promote quality amongst constituent providers;
   c. monitor provision by constituent providers;
   d. evaluate assessment and facilitate moderation amongst constituent providers;
   e. register constituent assessors for specified registered standards or qualifications in terms of the criteria established for this purpose;
f. take responsibility for the certification of constituent learners;
g. co-operate with the relevant body or bodies appointed by the Authority to moderate across ETQAs including but not limited to moderating the quality assurance on specified standards for which one or more ETQAs are accredited;
h. recommend new standards or qualifications for Standard Generating Bodies (SGBs), or modifications to existing standards or qualifications to NSBs for consideration;
i. maintain a database acceptable to the Authority;
j. submit reports to the Authority in accordance with the requirements of the Authority; and
k. perform such other functions as may from time to time be assigned to it by the Authority.

5. The ETQA must have sufficient resources to be viable for the duration of the period of accreditation.

6. An ETQA must have a quality management system, which includes and not limited to: (i) quality management policies which define the quality which the ETQA wishes to achieve; (ii) quality management procedures which enable the ETQA to practice its defined quality management policies; and (iii) review mechanisms which ensure that the quality management policies and procedures are applied and remain effective.

7. There must be separation of the external quality assurance function and the function of provision of education and training.

8. There must be national stakeholder representation at decision making level, which must ensure public accountability and transparency.

9. The activities of the ETQA will advance the objectives of the NQF.

Advancing the Objectives of the NQF

It is clear that the ninth criterion for monitoring and auditing – advancing the objectives of the NQF – is in a sense an overarching criterion. These objectives are to:

• create an 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;
• accelerate the redress of past unfair discrimination in education, training and employment opportunities; and thereby
• contribute to the full personal development of each learner and the social and economic development of the nation at large.⁴

Monitoring and Auditing Fees

How monitoring and auditing will be funded is addressed as follows:

• the Authority will charge for the monitoring and auditing service, on a cost-recovery basis.
• However, if an in-depth Audit is conducted, this will be regarded as an investment in the improvement of the system as a whole, and the Authority will fund this type of Audit.

⁴ The South African Qualifications Authority Act (Act No. 58 of 1995).
Disagreements over Audit Outcomes

With regard to the resolution of disagreements over auditing outcomes, it is imperative that an amicable and cooperative relationship between the Authority and ETQAs need to be maintained despite the inherent tensions in the monitoring and auditing process. For this reason, it is important both to acknowledge the possible tensions and address them in the procedures in a proactive manner. The possibility of disagreements between the Authority and an ETQA over auditing outcomes is addressed in broad terms as follows:

- Mechanisms have been built into these guidelines to minimise the possibility of disputes over auditing outcomes.
- In the event that a disagreement is not resolved, an ETQA may respond to an Audit, within strict parameters of relevance and conciseness. Such a response may not incorporate new evidence that has not been considered in the auditing process.
- The Authority will have the final decision in an appeal by an ETQA against the findings of an Audit. Prior to the Board hearing an appeal, the Authority will obtain a second opinion from an external Auditor for consideration by the Board as part of the appeal process.

Resolving the Issue of Differentiation among ETQAs

Differentiation among ETQAs has a number of dimensions. Firstly, different ETQAs will be at different stages of development. Secondly, sectoral requirements may force ETQAs to plan and operate in different ways. Finally, certain ETQAs have a historical statutory status and concomitant legal obligations in addition to those imposed by the SAQA Act.

It seems clear, however, that the Authority has already acknowledged in detail the need to differentiate among ETQAs because of the nature of their work or the context in which they operate, while maintaining the imperative of constructing a robust and coherent framework for quality assurance. It has done so through regulations, through supporting documentation, and through the accreditation process itself. A manifestation of the Authority’s sensitivity to history and context is that each ETQA has, or will have, an accreditation contract which in appropriate cases sets out conditions for continued accreditation when certain criteria have not, at the time of accreditation, been fully met. The fulfillment of such accreditation conditions will be examined in the course of the auditing process.

The statutory status of particular ETQAs is beyond the scope of this project, and is being addressed independently by the Authority.

The monitoring and auditing process should therefore examine:

- whether the regulated functions of ETQAs are being carried out effectively;
- whether the criteria set out in the regulations are being met; and
- whether accreditation conditions are being fulfilled.
Defining the role of other Auditing Bodies

Other auditing bodies, such as SABS, may have an important role to play in some cases. This scenario raises the question of whether the role of an external auditing body other than SAQA covers all the functions and criteria set out in the relevant legislation. Fundamentally, would such an auditing body be in a position to ascertain whether, for example, an ETQA is advancing the objectives of the NQF?

The answer may hinge on whether the auditing body addresses conformities and non-conformities in terms of the ETQA’s own systems, policies and procedures, or whether it examines conformity in terms of the broader rationale for the existence of those systems, policies and procedures, and the rationale for the existence of the organisation. Will the audit generate satisfactory evidence of achievement, for example, against the ninth criterion – the advancement of the objectives of the NQF?

Currently, no such audit outcomes are available for an ETQA, so any judgment on the issue would be made in an entirely abstract manner. Audits conducted by bodies other than SAQA therefore need to be viewed, for the time being, as a pilot in which the Authority will offer its full support and review the extent to which the auditing process meets statutory requirements in terms of the SAQA Act. This does not undermine the intrinsic value of other auditing bodies for the purpose of quality improvement within an ETQA; it simply means that we do not know at this stage, from a legal perspective, whether more may be needed than a review by the Authority of the audit outcomes.

Defining the Broad Parameters of Monitoring and Auditing Activity

A cyclical flow of activity will be adopted, as follows:
1. Self-evaluation and internal auditing by ETQAs enriches findings arising out of the accreditation process with regard to the identification of support requirements.
2. Support-oriented external monitoring by the Authority with immediate feedback, coupled with internal monitoring and internal auditing, provides for continuous improvement towards the target of achieving consistently favourable Audit Reports.
3. A regular Audit is conducted every two years, and covers the previous two-year reporting period.
4. In instances where an ETQA is under-performing (or performing well above the statutory requirements), an in-depth Audit is conducted.
5. Where the outcomes of an in-depth Audit are negative de-accreditation may ensue, but if accreditation is maintained the cycle is renewed from point 2 above.
Part Two:

Rules Governing the Monitoring and Auditing Framework

The Appointment of Monitors

Criteria for Appointment of Monitors

1. A Monitor must be able to–
   a. implement the broad monitoring strategy set out in Schedule A; and
   b. apply the distinction which has been drawn between the developmental orientation of the monitoring strategy and the purpose and orientation of an Audit.

Exclusion of Monitors from Auditing Duties

2. A person responsible for the monitoring of an ETQA may not be an Auditor for that ETQA.
3. A person responsible for the monitoring of an ETQA may not be a member of an Auditing Panel for that ETQA.

The Registration and Appointment of Auditors

Register of Auditors

4. The Authority will establish and maintain a Register of Auditors.
5. An Auditor must be registered in the Register of Auditors.
6. The Authority will every two years, publish in the Government Gazette a call for applications for inclusion in the Register of Auditors.
7. The invitation to apply for inclusion in the Register of Auditors will set out the criteria for the registration of Auditors, the application requirements, and timeframes for the selection process.
8. The Authority will consider all applications for inclusion in the Register of Auditors, and will accept or reject applications on the basis of the criteria for the registration of Auditors.

Criteria for Registration of Auditors

9. In order to be included in the Register of Auditors, an Auditor must–
   a. have a profound applied understanding of the principles and objectives of the NQF, including an applied understanding of all relevant laws and policies;
b subscribe to the Code of Ethics set out in Schedule B1;  
c be able to apply the Auditing Standards set out in Schedule B2 to implement the Auditing  
Procedures set out in Schedule B3; and  
d be able to generate an Audit Report as set out in Schedule B5.

Deregistration of Auditors

10 An Auditor may be removed from the Register of Auditors if–  
a in the opinion of the Authority, and on the basis of work performed by the Auditor in the  
course of an Audit, the Auditor has ceased to satisfy the criteria for the registration of  
Auditors; or  
b the Auditor has violated the Code of Ethics set out in Schedule B1.

11 If an Auditor wishes to appeal against her or his removal from the Register of Auditors–  
a the Auditor must make a written submission to the Authority to that effect together with  
the reasons for the appeal within one calendar month of receiving the notification of de-  
registration;  
b the Authority will obtain an opinion regarding the de-registration from a Registration  
Appeal Panel comprising three registered Auditors;  
c prior to making a recommendation, the Registration Appeal Panel must convene a  
Registration Hearing within one calendar month from the date on which the Authority  
receives the written submission of the Auditor whose de-registration is contemplated, and  
must give at least 14 days’ notice to relevant persons of the date, time and venue of the  
Registration Hearing, outlining in the notice the rights and responsibilities of those  
persons, including where appropriate the right not to attend;  
d the Auditor whose de-registration is contemplated may appear at the Registration Hearing  
to present relevant evidence;  
e the Authority may nominate a representative to appear at the Registration Hearing to  
present relevant evidence;  
f the Auditor whose de-registration is contemplated may interrogate the evidence of the  
representative of the Authority;  
g the representative of the Authority may interrogate the evidence of the Auditor whose de-  
registration is contemplated;  
h in addition to the provisions set out in paragraphs (c) to (g) above, standard practices  
followed at dismissal hearings will apply;  
i the Registration Appeal Panel must consider all evidence presented to them, including the  
notification of de-registration and the written submission of the Auditor whose de-  
registration is contemplated;  
j the final opinion of each member of the Registration Appeal Panel must be phrased as a  
recommendation to sustain the registration of the Auditor or as a recommendation to  
remove the Auditor from the Register of Auditors;  
k the majority recommendation of the three Auditors will be the final decision of the  
Authority; and  
l the Authority will pay for the costs of the appeal process, except for any legal advice or  
representation obtained by the Auditor whose de-registration is contemplated.
Appointment of Auditors

12 The Authority will appoint an Auditor or Auditors from the Register of Auditors for the purpose of conducting an Audit.
13 The Authority may appoint an Auditing Panel if a particular Audit requires a range of competencies which cannot be found in a single Auditor.
14 If the Authority appoints an Auditing Panel for a particular Audit, the Authority must name one member of the Auditing Panel as the Lead Auditor.
15 While a Lead Auditor must be a registered Auditor, the Authority will exercise its discretion in each case as to whether all panel members should be registered Auditors.
16 The presence of a member of staff and a member of the Board of the Authority on an Auditing Panel is obligatory.

Monitoring Procedures

Strategy to be followed by Monitors

17 A Monitor should follow the broad strategy set out in Schedule A.
18 In cases where a Monitoring Team has been established, the Lead Monitor should ensure that the broad strategy set out in Schedule A is followed.

Auditing Procedures

Procedures to be followed by Auditors

19 An Auditor must apply the Auditing Standards set out in Schedule B2 to implement the Auditing Procedures set out in Schedule B3.

20 In cases where an Auditing Panel has been established, the Lead Auditor must ensure that the Auditing Standards set out in Schedule B2 are applied to implement the Auditing Procedures set out in Schedule B3.

21 If a regular Audit is being conducted and in the opinion of the Lead Auditor (or, in cases where an Auditing Panel has not been established, in the opinion of the Auditor) an ETQA has not presented sufficient evidence in terms of Procedure 3 of Schedule B3 to support the Audit, the Audit should not proceed and the Lead Auditor or Auditor, as the case may be, must recommend to the Authority that an in-depth Audit be conducted.

Appeals against Audit Outcomes

The Submission of an Appeal

22 If an ETQA wishes to appeal against the outcomes of an Audit–
a the ETQA must make a written submission to the Authority to that effect together with the reasons for the appeal within one calendar month of receiving the Draft Audit Report contemplated in Schedule B2, Schedule B3 and Schedule B5;
b the written submission must contain a response to the Draft Audit Report presented in a relevant and concise manner;
c the written submission of an ETQA may not incorporate or refer to new evidence that has not been considered in the auditing process;
d prior to considering an Appeal, the Authority will obtain a second opinion from an Auditor for consideration as part of the appeal process;
e an Auditor who gives a second opinion must be an Auditor who has not been involved in the Audit concerned;
f the Auditor responsible for giving a second opinion must consider both the Draft Audit Report and the written submission of the ETQA; and
g the ETQA concerned will pay for the costs of the second opinion.

Consequences of the Decision of the Authority

23 If the Authority upholds an appeal against the outcomes of an Audit, the Authority must amend the Draft Audit Report accordingly and reimburse the ETQA for the costs of the second opinion.

24 If the Authority does not uphold an appeal against the outcomes of an Audit, the Authority must publish both the second opinion and the response of the ETQA as annexures to the Audit Report, provided that the response of the ETQA is, in the opinion of the Authority, relevant and concise and does not incorporate or refer to new evidence that has not been considered in the auditing process.
Guidelines for ETQAs
Part Three:

Guidelines for ETQAs

3.1 The Appointment of Auditors and Preparations for an Audit

1. Bearing in mind the context, scope and field of the work of the relevant ETQA, and considering the possible need for an Auditing Panel, SAQA will determine a shortlist of potential Auditors.

2. SAQA will communicate with the ETQA concerned regarding possible conflicts of interest or other factors regarding the shortlist.

2 (Options)
Assess any possible conflicts of interest, and communicate any concerns to the Authority.

3.2 Finalising an Audit

1. In the course of an Audit, check that the Auditing Standards set out in Schedule B2 are maintained.

1 (Options)
If it seems that the Auditing Standards set out in Schedule B2 are not being maintained, notify the Authority.

2. In the course of an Audit, check that Provisions 1 to 7 of the Auditing Procedures set out in Schedule B3 are implemented. (Note that Provision 8 and 9 of the Auditing Procedures are dealt with below.)

2 (Options)
If it seems that Provisions 1 to 7 of the Auditing Procedures set out in Schedule B3 are not being implemented, notify the Authority.
3 On receipt of the Draft Audit Report and the request for a response (see Provision 8 of Schedule B3), check that it complies with the standards set out in Provision 3 of Schedule B2 and with all the provisions of Schedule B5, and draw up the ETQA’s response.

3 (Options)
If the Draft Audit Report does not seem to comply with the relevant Provisions, notify the Authority.

4 The ETQA will receive a written notification regarding the right of the ETQA to appeal against the Audit outcomes on the basis of the Draft Audit Report (see Provisions 22 to 24 of Part Two, and Provision 8 of Schedule B3). This written communication should also indicate that in the absence of such an appeal, the Audit Report will be substantively the same as the Draft Audit Report (see Provision 3(a) of Schedule B2).

4 (Options)
If the ETQA wishes to appeal, see Provisions 22 to 24 of Part Two and section 3.3 below.

5 On receipt of the Audit Report (see Provision 9 of Schedule B3), check that it complies with the standards set out in Provision 3 of Schedule B2 and with all the provisions of Schedule B5.

5 (Options)
If the Audit Report does not seem to comply with the relevant Provisions, notify the Authority.

6 Check that the Audit Report is approved by the Authority.

6 (Options)
Check the implementation of any actions that may be necessary as consequences of the Audit Report.

3.3 Presenting an Appeal against the Outcomes of an Audit

1 If the ETQA sends a written submission to the Authority (as contemplated in Paragraphs (a), (b) and (c) of Provision 22 of Part Two) within one calendar month of receipt by the ETQA of a Draft Audit Report, proceed to implement the steps set out below.

2 Ensure acknowledgment of receipt by the Authority of the written submission, and that the acknowledgment itemises the cost of the second opinion which must be obtained and requests payment by the ETQA (see Provision 22(g) of Part Two).
3 A second opinion will be obtained, for consideration as part of the appeal process, from an Auditor, approved by the Board, who has not been involved in the Audit concerned, and who has no apparent interest in the outcome of the appeal. An Auditor must withdraw from the assignment in the event of any interest arising in the outcome of the appeal.

3 (Options)
If, in the opinion of the ETQA, the Auditor from whom the second opinion is to be obtained has an interest in the outcome of the appeal, must notify the Authority. If any conflict of interest arises prior to or in the course of consideration of the appeal, notify the Authority.

4 When the Authority receives the second opinion, it will consider the Draft Audit Report and the written submission of the ETQA in the light of the second opinion.

4 (Options)
If the Authority upholds the appeal, the Draft Audit Report will be amended as contemplated in Provision 23 of Part Two and the ETQA will be reimbursed for the costs of the second opinion. If the Authority does not uphold the appeal, the Draft Audit Report will be amended accordingly as contemplated in Provision 24 of Part Two, noting the proviso contained in that Paragraph.

3.6 Improving the Monitoring and Auditing Framework

Introduction

In addition to monitoring as a form of support to ETQAs, the Authority has a further responsibility in terms of systemic monitoring. The information gathered through supportive monitoring and through the Audit Reports will be sifted for evidence (and to generate indicators for future use) regarding the functioning of the ETQA system as a whole. Such a research lens, when applied to monitoring and auditing activities, will contribute to SAQA’s own self-evaluation in terms of its legislated functions, to assist in determining whether the system is indeed achieving the overall objectives of the NQF. The steps set out below are essentially the responsibility of the Authority; however, the interdependent nature of NQF structures generates a collective responsibility, and ETQAs are therefore requested to assist in the improvement of the monitoring and auditing framework for individual ETQAs, and in the generation of improvement strategies for the quality assurance system as a whole.

1 The Authority will design ways to ensure that the outcomes of the monitoring and auditing process feed into the improvement of the quality assurance system as a whole. In particular, a list of trends will be compiled from the Audit Reports, identifying, for example, common areas in which evidence is weak or hard to obtain.

2 ETQAs are requested to take note of any incident or reflection occurring in the implementation of these guidelines to support the improvement of the monitoring and
auditing process. In particular, reflect on the types of documentary evidence (see in particular Schedule C) which usefully illustrate both good and bad practice.

3 The Authority will develop a structured instrument to get specific feedback (for example, on implementation processes, on communication and relationship issues, on the application of criteria, and on the nature of evidence required) from ETQAs and Auditors after each Audit, and in the course of any monitoring process. The cooperation of the ETQA in this regard will be crucial.

4 Propose appropriate refinements to these guidelines on the basis of the above.
Schedule A:

Monitoring Strategy

The monitoring strategy set out below assumes that:
• monitoring is a form of evaluation;
• evaluation is a form of research;
• the particular type of evaluation that SAQA needs to perform, to enhance the effectiveness of ETQAs, is formative evaluation;
• the focus of a formative approach to monitoring is the process of implementation.

These key concepts are developed below.

Evaluation research may be conducted for a number of reasons:
• for the purpose of making a judgment about a social intervention, for example regarding its success, its compliance with stated goals and funding criteria, or its future;
• for the purpose of improving a social intervention;
• to generate knowledge, for example to support generalisations about effectiveness in social interventions.5

This section of the guidelines needs to deal with ‘improvement’ and the ‘generation of knowledge’ rather than judgment-oriented evaluation, since the latter falls in the sphere of auditing rather than monitoring as defined in these guidelines.

Improvement-oriented evaluation, or formative evaluation, is clearly geared towards quality enhancement and is particularly (but not only) appropriate in the early phases of a social intervention. The intention is to ‘... make suggestions about improvement, to solve unanticipated problems and to make sure that participants are making the required progress towards desired outcomes’. A key feature of this form of evaluation is the use of information (and information systems) to monitor an intervention and to give feedback to managers of the intervention with a view to enhancing effectiveness.

If we view an ETQA as a key social intervention in the implementation of the NQF, such formative evaluation is clearly advisable in the period leading up to an Audit, particularly given the innovative, ‘first time’ nature of the work of an ETQA. In addition, we need to build into such evaluative activity the need for knowledge about system improvement generally, across ETQAs, to support the elaboration of policy options and strategies in the future.

Within the broad category of formative evaluation, it is possible to evaluate the following:
• Need (for example, what unsatisfied needs exist among the target population?).

• **Process of implementation** (for example, is implementation happening as originally intended, or does the infrastructure of the intervention support the achievement of desired outcomes?).

• **Outcomes** (what intended and unintended outcomes have been generated, and what impact have they made on the underlying problem to be addressed?).

• **Efficiency** (for example, are costs reasonable in terms of the effect achieved?).

It should be noted that there is a logical relationship among these four possible focuses of evaluation:

**Without measuring need, programs cannot be planned rationally; without effective implementation, successful outcomes cannot result from the program; and without valued outcomes, there is no reason to worry about cost-effectiveness.**

The emphasis in the formative evaluation of ETQAs is likely to be on the process of implementation. This is because the rationale for the existence of an ETQA has already been established, and the efficient achievement of its intended outcomes is the primary focus of an Audit rather than of the monitoring process. This should not, however, preclude a Monitor or a Monitoring Team from keeping in mind the issues of needs, outcomes and efficiency. It does, however, mean that there is a primary focus of the formative evaluation – a focus on the effectiveness of implementation – and that the exercise is not what is sometimes referred to in the literature as a ‘comprehensive evaluation’, which would attend to all four of the aspects mentioned.

So far we have defined the monitoring activity to be undertaken as:

- formative and therefore development-oriented; and
- implementation-oriented, with appropriate attention to issues of need, outcomes and efficiency.

To emphasise how distinct this monitoring activity will be from auditing, but also to highlight the possible linkage between the two types of activity, the following extended quotation seems helpful:

**Programme monitoring or implementation evaluation ... is very different from auditing. Auditing is a normative activity, comparing “what is” with “what should be”. Monitoring is ... exclusively concerned with what has happened and whether the programme has been implemented properly, whereas auditing is concerned with what should have happened, usually within a legal/financial set of guidelines. Having said this, there is a close link between these activities. It might easily happen that programme monitoring reveals financial and other forms of mismanagement that should be incorporated in audit reports of the programme.**

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A Monitor, or a Monitoring Team, should therefore consider carefully both their essentially formative purpose, and the possibility that information gathered during the monitoring process may feed into an Audit. Thus, in the event that an ETQA is under-performing, or performing in excess of statutory requirements, a Monitor or a Monitoring Team may recommend that an in-depth Audit be performed prior to the next scheduled regular Audit, or they may feel that it is sufficient to await the next regular Audit. In both cases, any relevant information should be passed on to the Auditor or Auditing Panel.

The procedures set out below provide an indication of the tasks which a Monitor or a Monitoring Team should be expected to perform within this broadly formative strategy.

1. The Authority will inform the ETQA of the intention to initiate the monitoring process.

2. A preliminary meeting will be arranged with the CEO, the ETQA Manager and other relevant staff of the ETQA to discuss the objectives, procedures and outcomes of the monitoring process, monitoring protocols to ensure sound relationships, the relationship between the monitoring process and Audits, and the monitoring timetable.

3. On the basis of the preliminary meeting and the monitoring strategy, a Monitoring Agreement will be drawn up which sets out mutual expectations and commitments.

4. The Monitoring Team will work to the specifications of a Monitoring Brief, which will include:
   - the purpose of the monitoring process;
   - aspects of management systems, strategies and structures to be monitored;
   - evaluation instruments to be designed;
   - the scale of the monitoring process;
   - monitoring outcomes;
   - communication systems, including feedback mechanisms;
   - the monitoring budget.

5. The Monitoring Team will pay particular attention to:
   - ensuring that feedback to the ETQA is relevant and useful;
   - attention to feedback into the redevelopment of systems, strategies or structures;
   - the possible need to recommend an in-depth Audit rather than awaiting a scheduled regular Audit; and generally
   - the ultimate aim of enabling the ETQA to meet auditing requirements.

6. As part of the task of preparing an Auditor or an Auditing Panel, the Monitoring Team will consider carefully what information arising out of the monitoring process is relevant to the Audit.

If any information is relevant to an Audit, it will be passed on to the Auditor or the Auditing Panel.
Schedule B1:

Code of Ethics for Auditors

1 An Auditor will maintain an independent attitude and an unbiased viewpoint throughout the auditing process.

2 An Auditor shall maintain integrity and objectivity throughout the auditing process, shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate his or her judgment to others.

3 An Auditor shall comply with the Auditing Standards set by the Authority (see Schedule B2).

4 An Auditor may only disclosing confidential information obtained in the course of the auditing process to the Authority.

5 An Auditor who has been contracted by an ETQA to perform a service may not be an Auditor of that ETQA unless, in the opinion of the Authority, such a service does not affect the independence, lack of bias, integrity or objectivity of the Auditor.

6 An Auditor who has been responsible for providing developmental support to an ETQA may not be an Auditor of that ETQA unless, in the opinion of the Authority, such support does not materially affect the independence, lack of bias, integrity or objectivity of the Auditor.
The Auditing Standards set out below are closely based on Generally Accepted Auditing Standards. They are divided into ‘General Standards’, ‘Standards of Fieldwork’ and Standards of Reporting.

1 General Standards are as follows—
   a The Audit must be performed by a person or persons having adequate competence as an Auditor.
   b In all matters relating to the Audit assignment, an independence in mental attitude must be maintained by the Auditor or Auditors.
   c Due professional care must be exercised in the planning and performance of the Audit and the preparation of the Audit Report.

2 Standards of Fieldwork are as follows—
   a The work must be adequately planned and assistants, if any, must be properly supervised.
   b A sufficient understanding of the ETQA’s management systems is obtained to plan the Audit.
   c Sufficient relevant evidence must be obtained through inspection, observation, inquiries and confirmations to afford a reasonable basis for an Audit Report.
   d The auditing process must be characterised by regular opportunities for dialogue between the Auditor (or Auditing Panel) and the CEO, the ETQA Manager and relevant staff of the ETQA, to facilitate an ongoing mutual understanding of the Audit objectives, procedures, outcomes and evidence requirements, and to maximise opportunities for the gathering of relevant evidence which may be required in addition to the evidence presented in terms of the notification referred to in Procedure 3 of Schedule B3.
   e In the case of an in-depth Audit, the design of fieldwork must enable the gathering of evidence to ascertain the causes of any under-performance on the part of the ETQA, and of the causes of any achievement attributable to the ETQA which is in excess of statutory requirements.

3 Standards of Reporting are as follows—
   a The Draft Audit Report must be substantively identical to the Audit Report, except that it will not contain such amendments or annexures as may be directed by the Authority as a result of an appeal contemplated in Provisions 22 to 24 of Part Two.
   b The Audit Report must conform to one of the categories of Audit Report set out in Schedule B5.
   c The Audit Report must contain a clear description of the procedures followed in the course of the Audit and the evidence obtained, as well as an assessment of the evidence obtained in terms of whether the ETQA—
(i) has carried out its regulated functions effectively over the period audited;
(ii) continues to satisfy the accreditation criteria established in law;
(iii) has fulfilled any accreditation conditions; and
(iv) is likely to continue to carry out its regulated functions, and to satisfy the
accreditation criteria established in law, over the next two years from the date of
completion of auditing fieldwork.

d Data gathered and examined in the course of the Audit should be both qualitative and
quantitative, and quantitative data should be subjected to qualitative analysis.
e Careful attention must be given to sample size when gathering data for examination to
ensure validity, reliability and objectivity in the Audit outcomes.
f Third party verification of data should be obtained where appropriate, after following
protocols to be established in the preliminary meeting referred to in Procedure 2 of
Schedule B3.
g The Audit Report must give attention to comparisons between and relationships among
datasets; for example, data corresponding to different time segments of the period covered
by the Audit should be examined to establish trends in the functioning of the ETQA.
h The Audit Report must contain a summative assessment which addresses the issue of
whether the ETQA is advancing the objectives of the NQF as contemplated in paragraph
(i) of section 3(2) of the SAQA Regulations (R1127 of 8 September 1998); this
summative assessment will be supported by a thorough second-level analysis of all
evidence gathered in terms of the other accreditation criteria (paragraphs (a) to (h) of
section 3(2) of the same Regulations.
i The Audit Report may not contain recommendations regarding how the ETQA might
address any defects in its functioning.
j An in-depth Audit Report must contain an analysis of the causes of any under-
performance on the part of the ETQA, and of the causes of any achievement attributable
to the ETQA which is in excess of statutory requirements.
k An in-depth Audit Report should contain, where appropriate, lessons for the enhancement
of quality across ETQAs.
Schedule B3:

Auditing Procedures

1 Notify the ETQA of the intention to conduct an Audit. (See the pro forma letter in Schedule B4.)

2 Hold a preliminary meeting with the CEO, the ETQA Manager and relevant staff of the ETQA to discuss the Audit objectives, procedures and outcomes, the evidence requirements (see Schedule C), auditing protocols to ensure sound relationships, and the Audit timetable.

3 Notify the ETQA regarding the minimum evidence requirements which the ETQA must satisfy to support the Audit, reiterating the deadline for evidence set out in the Audit timetable.

4 Receive and assess the required evidence to ascertain whether the ETQA is auditable. (See Provision 21 of Part Two.

4 (Options)
Where appropriate, take note (for inclusion in the Audit Report) of the absence of any items of evidence, or withdraw from the Audit assignment.

5 Begin fieldwork. (See Schedule B2.)

6 On finishing fieldwork, prepare a presentation of the substantive content of the Draft Audit Report (see Schedule B2 and Schedule B5) for presentation to the CEO, the ETQA Manager and relevant staff of the ETQA, conduct the presentation, and elicit verbal comment.

7 Draw up the Draft Audit Report.

7 (Options)
Incorporate relevant verbal comment elicited in the presentation if there is evidence to justify this.
8 Send the Draft Audit Report to the CEO of the ETQA and to the Authority with a request that the ETQA respond formally to the document, copying its response to the Auditors and to the Authority.

9 Issue the Audit Report to the Authority. (See Schedule B2 and Schedule B5.) Note that it is the responsibility of the Authority to issue the Audit Report to the ETQA.

9 (Options)
Incorporate relevant amendments and/or annexures on the basis of any instructions issues by the Authority arising out of an appeal by the ETQA.
Chief Executive Officer
NAME OF ETQA

Dear NAME

The undersigned HAS/HAVE been commissioned by the South African Qualifications Authority (SAQA) to perform A REGULAR AUDIT / AN IN-DEPTH AUDIT to determine the degree of compliance of your organisation with the criteria set out in the Annexure. (ATTACH ‘MONITORING AND AUDITING: GUIDELINES FOR ETQAS’.)

The Audit will cover your latest two-year reporting period.

Unless special circumstances require otherwise, the Audit will take place from DATE to DATE. We would appreciate a preliminary meeting with yourself and relevant ETQA staff to establish a detailed timetable for the Audit, to discuss Audit objectives, procedures, outcomes and protocols, and to discuss with you our evidence requirements.

We will contact you telephonically in the near future to establish a convenient date for our first meeting.

Yours sincerely

NAME(S)
Categories of Audit Report

1. A Favourable Audit Report is issued when the ETQA, in the opinion of the Auditor or the Auditing Panel—
   a. has carried out its regulated functions effectively over the period audited;
   b. continues to satisfy the accreditation criteria established in law;
   c. has fulfilled any accreditation conditions; and
   d. is likely to continue to carry out its regulated functions, and to satisfy the accreditation criteria established in law, over the next two years from the date of completion of auditing fieldwork.

2. A Qualified Audit Report, which may contain recommendations regarding conditions to be attached to continued accreditation, is issued when the ETQA, in the opinion of the Auditor or the Auditing Panel—
   a. has largely but not entirely carried out its regulated functions effectively over the period audited;
   b. largely but not entirely continues to satisfy the accreditation criteria established in law;
   c. has largely but not entirely fulfilled any accreditation conditions; and
   d. the Auditor or the Auditing Panel believe that it is necessary to add comments to the Audit Report regarding issues such as—
      (i) any aspects of the current functioning of the ETQA which have prevented the Auditor or the Auditing Panel from issuing a Favourable Audit Report;
      (ii) any incidents which may have occurred during the period audited which have prevented the Auditor or the Auditing Panel from issuing a Favourable Audit Report; or
      (iii) the possibility that the ETQA may not continue to carry out some or all of its regulated functions, or to satisfy some or all of the accreditation criteria established in law, over the next two years from the date of completion of auditing fieldwork.

3. An Adverse Audit Report, which may contain recommendations regarding conditions to be attached to continued accreditation, and which in the case of an in-depth Audit may contain recommendations regarding the de-accreditation of the ETQA, is issued when the ETQA, in the opinion of the Auditor or the Auditing Panel—
a has failed to a significant degree to carry out its regulated functions effectively over the period audited;
b fails to a significant degree to satisfy the accreditation criteria established in law;
c has failed to a significant degree to fulfill any accreditation conditions; and
d the Auditor or the Auditing Panel believe that it is necessary to add comments to the Audit Report regarding issues such as—

(i) any aspects of the current functioning of the ETQA which have prevented the Auditor or the Auditing Panel from issuing a Favourable or a Qualified Audit Report;
(ii) any incidents which may have occurred during the period audited which have prevented the Auditor or the Auditing Panel from issuing a Favourable or a Qualified Audit Report; or
(iii) the serious risk that the ETQA may not continue to carry out some or all of its regulated functions, or to satisfy some or all of the accreditation criteria established in law, over the next two years from the date of completion of auditing fieldwork.
Schedule C:

Minimum Evidence Requirements

The following notes apply to the table set out on subsequent pages:

**Note 1: Criteria against which an ETQA will be audited by SAQA (Column 2)**

The criteria set out in column 2 are based on the statutory criteria for accreditation as an ETQA. The criteria have been divided (see column 1) into three categories:

- An overarching, principle criterion relating to the advancement of the objectives of the NQF. SAQA’s primary concern is to check that the ETQAs are functioning, both as individual agencies and on a systemic level, in support of these objectives and principles. Checking of performance against the other criteria is done in relation to the principles of the NQF.
- A set of ‘identity criteria’ which serve to assess whether the ETQA fulfils SAQA’s accreditation requirements.
- A set of ‘function criteria’ which serve to assess whether the ETQA is carrying out its designated functions to standard.

**Note 2: Evidence Requirements (Column 3)**

The evidence requirements set out in column 3 have been drawn from SAQA’s Criteria and Guidelines for ETQAs and other SAQA documentation relating to quality assurance.

Though evidence requirements have been matched to individual statutory criteria, evidence gathered against each of the criteria should ultimately be examined in relation to NQF objectives and principles.

It should be noted that at the time of writing no ETQAs have been audited. These evidence requirements should therefore be reviewed and refined once the first set of Audits has taken place.

**Note 3: Accreditation Conditions**

Additional evidence may need to be gathered to assess the fulfilment of any conditions set out in SAQA’s Accreditation Contract with a specific ETQA.
The activities of the ETQA support and promote the objectives of the NQF. These are to:

- create an 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
- accelerate the redress of past unfair discrimination in education, training and employment opportunities; and thereby
- contribute to the full personal development of each learner and the social and economic development of the nation at large.

Conformance to identity and function criteria is achieved in relation to these objectives, which encapsulate key principles underpinning the NQF. These principles are defined and illustrated as follows:

Integration: ... form part of a system of human resources development which provides for the establishment of a unifying approach to education and training.

Relevance: ... be and remain responsive to national development needs.

Credibility: ... have national and international value and acceptance.

Coherence: ... work within a consistent framework of principles and certification.

Flexibility: ... allow for multiple pathways to the same learning ends.

Standards: ... be expressed in terms of a nationally agreed framework and internationally acceptable outcomes.

Legitimacy: ... provide for the participation of all national stakeholders in the planning and co-ordination of standards and qualification.

Access: ... provide ease of entry to appropriate levels of education and training for all prospective learners in a manner which facilitates progression.

Articulation: ... provide for learners, on successful completion of accredited pre-requisites, to move between components of the delivery system.

Progression: ... ensure that the framework of qualifications permits individuals to move through the levels of national qualifications via different appropriate combinations of the components of the delivery system.

Portability: ... enable learners to transfer their credits or qualifications from one learning institution and/or employer to another.

Recognition of prior learning: ... through assessment, give credit to learning which has already been acquired in different ways, e.g. through life experience.

Guidance of learners: ... provide for counselling of learners by specially trained individuals who meet nationally recognized standards for educators and trainers.

These principles are exemplified through the emerging characteristics and features of the NQF-aligned education and training system. Evidence that ETQAs are promoting and developing such features in their relationships with providers and through the implementation of their designated functions will be sought in terms of the definitions given above.
**Category 2: Identity Criteria**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Evidence</th>
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</table>
| 1  Justifiable need in the sector as set out in the ETQA's Accreditation Application still holds. | • The ETQA has defined itself within a social, economic or education and training sub-system sector, which is exemplified through a unique and descriptive name.\(^{10}\)  
  • The rationale for justifiable need is linked to the ETQA's motivation for primary focus as put forward in its Accreditation Application, and linked to the NQF principle of relevance.  
  • Data on current and projected numbers of constituent providers and learners are available, and support the continued accreditation of the ETQA. |
| 2  The 'primary focus' of the ETQA as set out in the Accreditation Application still holds. | • The ETQA has supported its primary focus application areas with reference to registered standards and qualifications on the NQF, or interim arrangements for existing qualifications as appropriate.  
  • The ETQA has a mission statement which states its primary focus in relation to the education and training needs, purposes and objectives of the sector.  
  • The primary focus of the ETQA is reflected in the SETA's sector skills plan, where appropriate. |
| 3  There is no unnecessary duplication of the functions or parts of the functions of another ETQA. | Note that SAQA acknowledges that there will be some overlaps and duplication in the system, especially in the early phases of development, for example between ETQAs and professional and statutory bodies.  
  • Where there are such overlaps, there is documentary evidence of agreements regarding procedures at an operational level. |
| 4  The ETQA has the capacity and the resources to perform its designated functions. | • The ETQA division’s organisational charts indicate a structure appropriate to its functions.  
  • Any agreements regarding out-sourcing or delegation of functions are formally documented, and such agencies are open to evaluation and review.  
  • The ETQA can supply human resource policies and procedures, encompassing key areas such as recruitment, selection, appointment, promotion and termination.  
  • Staff profiles show that staff are suitably qualified and/or competent to carry out their duties.  
  • A workplace skills plan is indicative of capacity building among staff. |

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\(^{10}\) SAQA: Criteria and Guidelines for ETQAs, p 15, 1999.
### Minimum Evidence Requirements

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Evidence</th>
</tr>
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<tbody>
<tr>
<td>• Evidence of compliance to relevant constitutional, labour, employment, health and safety and any other applicable legislation is available.</td>
<td></td>
</tr>
<tr>
<td>• The ETQA’s business plan shows that adequate business and financial planning has been undertaken. This includes details of available financial resources, cash flow projections, income-generating strategies and budgets.</td>
<td></td>
</tr>
<tr>
<td>• Financial management and auditing systems and policies are in place.</td>
<td></td>
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<tr>
<td>• Audits of financial statements are timeously available.</td>
<td></td>
</tr>
<tr>
<td>• If appropriate to the sector, the business plan includes proposed strategies for the waiving or subsidising of certain charges in order to address the NQF objective relating to redress and access.</td>
<td></td>
</tr>
<tr>
<td>• The ETQA has information resources and systems that will enable it to meet SAQA’s reporting requirements.</td>
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5 The ETQA has an acceptable quality management system which includes:
- quality management policies which define the quality which the ETQA wishes to achieve;
- quality management procedures which enable the ETQA to practise its defined quality management policies; and
- review mechanisms which ensure that the quality management policies and procedures defined are applied and remain effective.

Documentary evidence of quality management policies and procedures is supplied. The system should encompass the following or similar areas or focus:
- internal audit or self-evaluation
- resource management (human, financial, physical and information resources)
- products and services
- ‘customer’ needs (learners, providers, SAQA, SGBs and NSBs, other ETQAs)
- customer communications
- internal communications
- staff development and training
- data and record control
- document control
- management review
as well as quality indicators for review of the system.
### Criterion 6
The external quality assurance function is separate from the provision of education and training.

- The ETQA is not accredited as a provider of learning.

### Criterion 7
The ETQA has national stakeholder representation at decision making level, which must ensure public accountability and transparency

- The membership lists of governance structures and substructures contain the names and affiliations of representatives of appropriate sectoral stakeholders.
- Where appropriate sectoral stakeholders are absent from the membership lists, an adequate explanation is available.
- Evidence exists of the active participation of sectoral stakeholders in governance structures and substructures.
- Where the active participation of sectoral stakeholders in governance structures and substructures is questionable, an adequate explanation is available.
Processes for the accreditation of constituent providers are effective and efficient, and clearly relate to the primary focus of the ETQA.

- The ETQA’s accreditation requirements for providers cover the criteria for providers set out by SAQA, namely that a provider
  - is registered in terms of applicable legislation;
  - has a quality management system including policies, procedures and review mechanisms;
  - is able to develop, deliver and evaluate learning programmes which culminate in specified registered standards or qualifications;
  - has the necessary financial, administrative and physical resources;
  - has policies and practices for staff selection, appraisal and development;
  - has policies and practices for learner entry, guidance and support systems;
  - has policies and practices for the management of off-site practical or work-site components;
  - has policies and practices for the management of assessment;
  - has the ability to achieve the desired outcomes, using available resources and procedures considered by the ETQA to be needed to develop, deliver and evaluate learning programmes which culminate in specified registered standards or qualifications;
  - has not already been granted accreditation by or applied for accreditation to another ETQA.  

- Documentation relating to accreditation (e.g. accreditation forms and files, handbooks and guidelines) is thorough, clear and user-friendly.

- Criteria for the accreditation of providers are defined and contextualized in the ETQA’s policies, procedures and guidelines in relation to (i) the ETQA’s primary focus (ii) the nature of the sector and (iii) NQF principles.

- Accreditation conditions are attached and agreements and timeframes regarding provider accreditation are set out where necessary.

- The ETQA’s own tools and mechanisms for verifying provider information are clearly set out.

- The ETQA’s business plan makes provision for the ETQA to offer support and capacity building in the accreditation process for those providers who need it.

- The ETQA has a clearly defined set of procedures to monitor providers during the accreditation period. Monitoring of provider performance is carried out in terms of the principles of the NQF in order to promote features such as access, portability and RPL.

- Any de-accreditation decisions are well documented, and valid reasons and appropriate evidence are available to support such decisions.

- There is a process for providers to appeal against unfavourable accreditation decisions.

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11 These criteria are discussed in detail in SAQA: ETQA Criteria and Guidelines for Providers, 1999.
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<th>Criterion</th>
<th>Evidence</th>
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| 9 Quality amongst providers is effectively and efficiently promoted. | Evidence of strategies to promote quality provision in the ETQA’s primary focus areas is provided. Examples are:  
- Feedback to all providers regarding developments in primary focus areas.  
- Results of research and surveys undertaken by the ETQA.  
- Capacity building in the sector in relation to good practice in areas such as moderation, assessment and RPL.  
- Awareness raising and promotion of discussion and debate around quality assurance issues.  
- Information dissemination of all the above to constituent providers, learner audiences, communities, constituencies, stakeholder bodies, other ETQAs and other relevant sectors.  
- An accessible and informative website.  
- Generation of funds and public support for the ETQA. |
| 10 Provision by constituent providers is effectively and efficiently monitored. | • Documentary evidence of the ETQA’s monitoring function is provided.  
• The ETQA’s internal cycle of activities and staff roles reflects steps that are taken for the monitoring of provision. |
| 11 Assessment and facilitation of moderation among constituent providers are effectively and efficiently evaluated. | • Accreditation criteria for providers should clearly articulate principles and best practices for assessment and moderation, and offer guidance in these areas. Examples are:  
- assessment and moderation policies  
- criteria for the recognition of prior learning  
- procedures and features for assessment design  
- procedures and features for assessment implementation  
- procedures and features for resulting and judgements  
- procedures and features of the moderation cycle  
- communicating with learners  
- communicating with the ETQA  
- record keeping  
- submission of results  
- evaluation and review of assessment system  
- criteria for assessment personnel 
• Procedures for the verification of assessment system information should be spelled out.  
• Indicators for decisions on the need for further validation of suspect learner assessment results are available.  
• Mechanisms for sample moderation, site visits or other forms of validation of submitted learners assessment results are in place. |
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| **12 Constituent assessors are registered for specified registered standards or qualifications according to established criteria.** | • The ETQA can draw on appropriate expertise to carry out validation exercises, whether in-house or through committees and panels.  
• The ETQA has clearly defined procedures in respect of the learners and the providers for instances where assessment results are found to be invalid. |
| **13 Certificates should be designed according to SAQA criteria, and reflect the information required by SAQA.** | • Certificates should reflect the credits, registered standards and qualifications achieved by the learner.  
• Any devolution of certification responsibility must be in writing, and must specify that the ETQA still retains responsibility for the validity of that certificate. |
| **14 Co-operation with moderating bodies and other ETQAs takes place effectively and efficiently in appropriate cases.** | • Procedures for the sharing and reporting of relevant data are in place.  
• Documentary evidence such as Memoranda of Understanding between ETQAs is available.  
• Communications made to SAQA by other ETQAs and by Moderating Bodies may be regarded as relevant evidence. |
| **15 Recommendations regarding standards and qualifications (new or existing) are made to the appropriate NSB.** | • The ETQA has set up communication channels for providers to give feedback and recommendations on standards and qualifications.  
• There is provision for data analysis in terms of ongoing poor performance against certain standards.  
• There is evidence of communication between the ETQA and the relevant NSB(s). |
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<th>Criterion</th>
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| 16 An acceptable database is maintained. | The database and information system should include the following storage, retrieval, reporting and operating requirements:  
• All information, policies and procedures required by SAQA.  
• All accredited NQF standards and qualifications and related NSB information, including moderation and accreditation criteria.  
• ETQAs and examining or professional bodies appointed or accredited for the same standards and qualifications.  
• Details of constituent assessors and moderating bodies, including any additional professional development or review criteria.  
• Details of constituent providers, including certificates of accreditation, and annual records of quality audits, evaluations and reviews of providers.  
• Learner records (all ETQAs are required to maintain records on constituent learners from the date of registration of the learner with the constituent provider).  
• Details of all certificates awarded to learners on achievements of the NQF standards or qualifications.  
• Sufficient and appropriate data so that the ETQA can report on learner achievements of standards and qualifications (e.g. enrolment, registration and achievement data), the standards of the achievements, and the relevance and appropriateness of the standards and qualifications (e.g. increasing or decreasing demands). |
| 17 The database should also have the following features: |  
• Flexibility in combining methods and tools.  
• Coherence in reporting through a common format, including meetings, formal reports, and evaluations.  
• Management of information, including security of information and rights to privacy. |
| 18 Reports are submitted to SAQA according to established requirements. |  
• Examples of reports are checked against SAQA content and format requirements. |


Bibliography