



**DEMONSTRATING RESILIENCE  
THROUGH TURBULENT TIMES**

**ANNUAL**  
INTEGRATED REPORT  
**2020/21**

## About SAQA

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

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

## SAQA's 2020/21 Annual Integrated Report

SAQA's aim is to provide a balanced and reasonable view of its work from 1 April 2020 to 31 March 2021, so that its stakeholders can make an informed assessment of its performance.

The Annual Integrated Report complies with:

- Section 13 (2) of the National Qualifications Framework Act, No. 67 of 2008;
- Section 55 of the Public Finance Management Act, No. 1 of 1999; and
- Subscribes to the principles of the King IV Report on Corporate Governance for South Africa.





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# PART A:

## GENERAL INFORMATION

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# **ANNUAL**

INTEGRATED REPORT

# **2020/21**

# SAQA'S GENERAL INFORMATION

**Registered Name:** South African Qualifications Authority



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



**External Auditors:** Auditor-General South Africa



**Bankers:** Standard Bank, Pretoria

# LIST OF ABBREVIATIONS / ACRONYMS

<b>ABET</b>	Adult Basic Education and Training	<b>DUT</b>	Durban University of Technology
<b>AG</b>	Auditor-General	<b>EA</b>	Enterprise Architecture
<b>ANC</b>	African National Congress	<b>EAIE</b>	European Association for International Education
<b>APP</b>	Annual Performance Plan	<b>ECD</b>	Early Childhood Development
<b>ASB</b>	Accounting Standards Board	<b>EE</b>	Employment Equity
<b>ATR</b>	Annual Training Report	<b>EQF</b>	European Qualifications Framework
<b>AUV</b>	Awareness, Understanding and Value	<b>ESC</b>	Education Sector Committee
<b>CEO</b>	Chief Executive Officer	<b>eSCoE</b>	Electronic SAQA Certificate of Evaluation
<b>CET</b>	Community Education and Training	<b>ETDP SETA</b>	Education, Training and Development Practices Sector Education and Training Authority
<b>CFO</b>	Chief Financial Officer	<b>ETQA</b>	Education and Training Quality Assurance
<b>CHE</b>	Council on Higher Education	<b>EU</b>	European Union
<b>CIDA</b>	Canadian International Development Agency	<b>EXCO</b>	Executive Committee
<b>COE</b>	Committee of Experts	<b>FIFO</b>	First-in, first-out
<b>COIDA</b>	Compensation for Occupational Injuries and Diseases Act	<b>FMPPI</b>	Framework for Managing Programme Performance Information
<b>COSATU</b>	Congress of South African Trade Unions	<b>GDN</b>	Groningen Declaration Network
<b>COVID-19</b>	Coronavirus Disease 2019	<b>GENFETQA</b>	General and Further Education and Training Quality Assurance
<b>CPD</b>	Cash for Public Deposits	<b>GFETQSF</b>	General and Further Education and Training Qualifications Sub-Framework
<b>CPI</b>	Consumer Price Index	<b>GRAP</b>	Generally Recognised Accounting Practices
<b>Danida</b>	Danish International Development Agency	<b>GTZ</b>	German Technical Cooperation Agency
<b>DFQEAS</b>	Directorate: Foreign Qualifications Evaluation and Advisory Service	<b>HEDD</b>	Higher Education Degree Datacheck
<b>DHET</b>	Department of Higher Education and Training	<b>HEQCIS</b>	Higher Education Quality Committee Information System
<b>DOJ</b>	Department of Justice	<b>HET</b>	Higher Education and Training
<b>DOL</b>	Department of Labour	<b>HR</b>	Human Resources
<b>DPSA</b>	Department of Public Service and Administration	<b>HRDS</b>	Human Resource Development Strategy
<b>DRR</b>	Directorate: Registration and Recognition		



<b>HSRC</b>	Human Sciences Research Council	<b>QCTO</b>	Quality Council for Trades and Occupations
<b>ICT</b>	Information and Communications Technology	<b>Q&amp;S</b>	Qualifications and Standards
<b>IESBA</b>	International Ethics Standards Board for Accountants	<b>REMCO</b>	Remuneration and Human Resources Committee
<b>ISA</b>	International Standards on Auditing	<b>RPL</b>	Recognition of Prior Learning
<b>IT</b>	Information Technology	<b>SADC</b>	Southern African Development Community
<b>I&amp;IT</b>	Information and Information Technology	<b>SADCQF</b>	SADC Qualifications Framework
<b>LED</b>	Light Emitting Diode	<b>SADTU</b>	South African Democratic Teachers Union
<b>M&amp;E</b>	Monitoring and Evaluation	<b>SAICA</b>	South African Institute of Chartered Accountants
<b>MQA</b>	Mining Qualifications Authority	<b>SA NATCOM</b>	South African National Commission
<b>NLRD</b>	National Learners' Records Database	<b>SAPS</b>	South African Police Service
<b>NOKUT</b>	Norwegian Agency for Quality Assurance in Education	<b>SAQA</b>	South African Qualifications Authority
<b>NQF</b>	National Qualifications Framework	<b>SAQA Act</b>	South African Qualifications Authority Act (Act No. 58 of 1995)
<b>NQF Act</b>	National Qualifications Framework Act (Act No. 67 of 2008)	<b>SCM</b>	Supply Chain Management
<b>NSB</b>	National Standards Body	<b>SGB</b>	Standards Generating Body
<b>NSDS</b>	National Skills Development Strategy	<b>SETA</b>	Sector Education and Training Authority
<b>OQSF</b>	Occupational Qualifications Sub-Framework	<b>TCCA</b>	Technical Committee on Certification and Accreditation
<b>PAA</b>	Public Audit Act	<b>TVET</b>	Technical and Vocational Education and Training
<b>PB</b>	Professional Body	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>PD</b>	Professional Designation	<b>USAID</b>	United States Agency for International Development
<b>PFMA</b>	Public Finance Management Act (Act No. 1 of 2009)	<b>VCQ</b>	Verification and Comparison of Qualifications
<b>PPE</b>	Property, Plant and Equipment	<b>WSP</b>	Workplace Skills Plan
<b>PSET</b>	Post-School Education and Training		
<b>QC</b>	Quality Council		







**Professor Peliwe Lolwana**  
Board Chairperson

## FOREWORD BY THE BOARD CHAIRPERSON

**T**he last year has been unlike anything that the world has seen in recent times. South Africa was particularly hard hit as the country slipped into an economic recession just before the nationwide lockdown on 26 March 2020. The Level 5 lockdown meant that South Africa's borders closed, which directly impacted SAQA's ability to generate income through its services.

When the 7th SAQA Board took office on 01 January 2021, SAQA was in the midst of a financial crisis. Under the 6th Board, Management had cut the organisation's budget to the bone, and engaged with the Department of Higher Education and Training (DHET) and the Minister: Higher Education, Science and Innovation, to secure additional funding. At the end of November, the DHET provided some additional funds to SAQA, which allowed the organisation to delay retrenching staff until the

end of the financial year and restructure within a reduced budget. The seventh Board held a special meeting in January to consider a new structure for SAQA.

The Board is aware that the new, lean structure may not be sufficient for SAQA to meet its mandated functions and ensure that it is financially sustainable. To this end, we are focusing on automating many of the internal processes, where possible. Automation will bring about greater efficiencies and free staff members to contribute towards building a more focused organisation. The Board will review the structure at each meeting, make necessary adjustments and approve the final structure at the end of the next financial year. The 7th Board took over the reins of SAQA at a time when it had an Acting Chief Executive Officer and Acting Chief Financial Officer. Several senior staff





members had either resigned or taken the voluntary retrenchment package, and the remaining staff members took on additional roles to ensure that work continued. This last year was a bleak period in SAQA's long history, and I am pleased that the management team still achieved a clean audit opinion, despite the challenges posed by working from home, designing the new organisational structure and implementing the retrenchment of staff who were not accommodated in the new structure. I commend the staff for their resilience and commitment.

The 7th Board's immediate focus is to bring stability to the organisation by implementing the new structure and filling the vacant positions, including that of the CEO and CFO. During its term of office, the 7th Board will re-focus the organisation and determine its purpose and place in the education and training space. I have embarked on a series of stakeholder workshops to help me

understand the problems with the current education and training system, that will assist the Board to formulate a more suitable role for SAQA, to better contribute to the nation at large.

I thank the 6th Board for their service to SAQA over the last five years.

**Professor Peliwe Lolwana**

Board Chairperson





**Dr Julie Reddy**  
Acting CEO

## CHIEF EXECUTIVE OFFICER'S OVERVIEW

**T**he 2020/21 financial year was a year like no other. SAQA, like many other entities, faced financial difficulties that shook the organisation to its core. From as early as May 2020, under a national lockdown due to global Covid-19 Pandemic it became evident that SAQA would not be able to generate the funds required to sustain it. With only forty-four percent of SAQA's budget provided by the Department of Higher Education and Training (DHET), we were faced with the reality that without government intervention, SAQA would not be able to pay staff salaries after November 2020. It also required us to drastically cut and/or defer operational costs and capex expenditure, where possible. Fortunately, the DHET provided SAQA with sufficient interim funds to keep it afloat until the end of the financial year. Some staff members, including a senior manager, opted for voluntary severance packages and three senior managers resigned for better job prospects elsewhere. During the year, eleven staff members tested

positive for the Corona -Virus. Fortunately, all eleven recovered fully and were able to return to work. Most staff members worked remotely during the period, and the few who couldn't worked from the office under strict health and safety protocols. Despite these difficult challenges, I am pleased to report that SAQA still managed to maintain its record of consecutive clean audit opinions. SAQA also fully achieved ninety-two percent of its deliverables. Two deliverables were partially achieved and one deliverable could not be achieved for reasons beyond SAQA's control. I thank the management team and staff for their unwavering commitment and dedication through this trying time. SAQA would not have come through this dark period in its history without their steadfast support. During its twenty-four-year history, SAQA had maintained its structure, but added new positions as its workload increased. There had not been a holistic organisational review to establish whether the structure optimally supported





SAQA's mandated functions. Between March and July 2020, the management team participated in a series of consultative meetings on an organisational re-design. The re-design process was overtaken by SAQA's financial woes, which required a drastic cut in expenditure in order to balance the budget.

Fortunately, SAQA was able to complete the redesign and restructure, in time for implementation in the next financial year. A monitoring and evaluation process will follow the implementation of the redesign before the Board approves a final structure by the end of 2021/22. The 7th Board, that was appointed from January 2021, also saw fit to redesign its governance structure, and reduced the number of board committees from eleven to seven.

Following SAQA's advice, the Minister: Higher Education, Science and Innovation (HESI) published a new Ministerial Determination of the NQF Sub-Frameworks on 24 December 2020. . In line with the Ministerial Determination (No 1391), , the registration end-date for all pre-2009 Occupational Qualification Sub-Framework (OQSF) qualifications was extended to 30 June 2023, excluding Higher Education Qualification Sub-Framework (HEQSF) qualifications that were erroneously allocated to the OQSF. The registration end-date for all HEQSF qualifications reaching their end-date on 30 June 2021 was extended to 30 June 2023 on the proviso that the Council on Higher Education (CHE) works towards reducing the proliferation of qualifications, especially among the seven thousand (7 000) qualifications that had a registration end date of 30 June 2021. The registration end-date for all pre-2009 qualifications, unit standards and non-aligned qualifications registered on the General and Further Education and Training Qualifications Sub-Framework

(GFETQSF) was extended to 30 June 2023. The Ministerial Determination also re-determined the OQSF to include differentiation in its NQF qualification types.

The articulation of qualifications remains a challenge for the sector, and SAQA played its part in promoting articulation by continuing with efforts to ensure that all qualifications registered on the 10 Level National Qualifications Framework (NQF) have articulation options.

SAQA continued to grow its international footprint by producing a case study on flexible learning pathways in South Africa, for the UNESCO Flexible Learning Pathways Project. Our work within SADC and on the African continent continued. This included initiatives to discuss the implementation of the Addis Convention and for South Africa to ratify the Global Convention.

I take this opportunity to thank the 6th Board for its leadership through a difficult period in SAQA's history. I also wish the 7th Board everything of the best in leading SAQA during this period of Repositioning and renewal.

Dr Julie Reddy  
Acting CEO





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

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

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

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

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

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

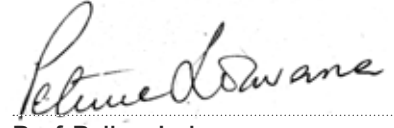
The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.  
The Accounting Authority is responsible for establishing and implementing a

system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, this Annual Integrated Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2021.

  
**Dr Julie Reddy**  
Acting Chief Executive Officer  
Date: 2021-08-02

  
**Prof Peliwe Lolwana**  
Board Chairperson  
Date: 2021-08-02



# 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 staff commits 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.

# LEGISLATIVE AND OTHER MANDATES

## LEGISLATIVE MANDATES

### Constitution of the Republic of South Africa

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

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

### The National Qualifications Framework Act

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



## Objectives of the NQF

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

- Create a single integrated national framework for learning achievements;
- Facilitate access to, and mobility and progression within, education, training, and career paths;
- Enhance the quality of education and training; and
- Accelerate the redress of past unfair discrimination in education, training, and employment opportunities.

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

## Functions of SAQA

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

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

The NQF Amendment Act, Act No. 12 of 2019 that was signed by the President on 13 August 2019 and published for information, further adds to SAQA's mandate.

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

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

SAQA voluntarily adopted the principles of the King IV Report on Corporate Governance.

## POLICY MANDATES

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

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

## **National Development Plan Five-Year Implementation Plan 2030**

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

- Priority 1: Economic Transformation and Job Creation
- Priority 2: Education, Skills and Health
- Priority 3: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 4: Spatial Integration, Human Settlements and Local Government
- Priority 5: Social Cohesion and Safe Communities



- Priority 6: A Capable, Ethical and Developmental State
- Priority 7: A better Africa and World

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

### Medium Term Strategic Framework (MTSF)

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

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

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 DHET's outcomes as follows:

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

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

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

### White Paper on Post-School Education and Training

The White Paper for PSET sets out a vision for an integrated education and training system outside of school, as well as the role that SAQA plays.

Specifically, the White Paper stipulates that "SAQA must provide guidance on the articulation between the three sub-frameworks and must endeavour to ensure that institutions avoid unfair and irrational barriers to acceptance and credit transfer" (White Paper on Post-School Education and Training 2013:10)



## Ministerial Guidelines

The NQF Act (2008) stipulates that the Minister must: “after consultation with the Minister of Labour, publish guidelines which set out the government’s strategy and priorities for the NQF, and which may be updated annually” (NQF Act, 2008: Clause 2c);

### Policy initiatives

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

- Level Descriptors for the South African National Qualifications Framework (June 2012);
- National Policy and Criteria for Designing and Implementing Assessment for NQF Qualifications and Part-Qualifications and Professional Designations in South Africa (October 2013);
- Policy and Criteria for Credit Accumulation and Transfer within the National Qualifications Framework (as amended, 2021);
- Policy and Criteria for Evaluating Foreign Qualifications within the South African NQF (as amended, March 2019);
- National Policy for the Implementation of the Recognition of Prior Learning (as amended, March 2019);
- Policy and Criteria for the Registration of Qualifications and Part-Qualifications on the NQF (as amended, March 2020);
- Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the Purposes of the NQF Act, Act No. 67 of 2008 (as amended, September 2020);
- Addendum on the Recognition of Qualifications of Refugees and Asylum Seekers (March 2019);
- NQF Implementation Framework 2015-2020;
- The Articulation Policy for the Post-School Education and Training System of South Africa (January 2017) ; and
- Recognition of Prior Learning (RPL) Coordination Policy (March 2016).



# ORGANISATIONAL STRUCTURE

*The 6<sup>th</sup> Board's term of office ended on 31 December 2020.*

*The 6<sup>th</sup> Board had the following committee structure:*



## Executive management structure







SAQA staff and Management at a Strategic Planning session



# PART B:

## PERFORMANCE INFORMATION

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# AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 116 of the Report of the Auditors Report, published as Part E: Financial Information.

## SITUATIONAL ANALYSIS

### The role of SAQA

SAQA is mandated to oversee the further development and implementation of the NQF. This key national policy tool is instrumental in transforming and integrating South Africa's education and training system. It also ensures that South African qualifications are of high quality, internationally comparable and positioned in a system that is transparent and positioned in a transparent and communication system to all stakeholders. SAQA works closely with the three QCs to implement the NQF. The three QCs are guided by their respective Qualifications Sub-Framework policies and procedures that are aligned to national policies, and implemented within the System of Collaboration.

The Covid-19 pandemic and the subsequent lockdown had severely hampered SAQA's ability to generate funding through its paid-services. Closure of South Africa's borders resulted in SAQA not receiving requests to evaluate foreign qualifications.

National and provincial departments had also slowed down recruitment during this period, and therefore did not use SAQA's verification services. Professional bodies, like many organisations, suffered financial difficulties, and early indications were that SAQA would not receive professional body fees in 2020/21. Some professional bodies had requested to be de-recognised so that they were not liable for the fee.

SAQA received forty-four percent of its funding from the fiscus for 2020/21. The Department of Higher Education and Training (DHET) imposed a further budget cut of one million, two hundred and eighteen thousand rand (R 1,218 million). This cut, coupled with SAQA's inability to generate funding, resulted in SAQA not being balancing its budget and not being able to pay staff salaries from November 2020. SAQA faced the daunting possibility of staff retrenchments. After months of consultations and trimming SAQA's budget to the bone, DHET provided SAQA with an additional five (5) million rand to stop voluntary staff retrenchments on the eve of its implementation in November 2020. This additional funding bought SAQA four months to restructure the organisation and then retrench the staff members who did not secure positions in the new structure. Despite Management's best efforts, SAQA was not able to implement Section 189 by the end of the financial year because of delays due to (i) a new Board being appointed on 1 January 2021, that was expected to approve the new structure; and (ii) delays during the stakeholder negotiations with organised labour and the staff representatives. It would take a further six weeks to implement Section 189 of the Labour Relations Act fully. Unfortunately, eighty-nine staff members were retrenched six weeks later, and a further four staff members who had been on maternity and disability leave, were retrenched on their return to work. The seventh Board is not convinced that the new, lean structure is sufficient to carry out SAQA's mandate, and has allowed itself time until the end of the next financial year, to assess the new structure and make changes if required, before approving the final structure.

### The National Qualifications Framework

The National Qualifications Framework (NQF) is a comprehensive system for the classification, co-ordination, registration and publication of articulated quality-assured national qualifications and part-qualifications. All qualifications across the three Sub-Frameworks fit into the NQF from Levels 1 to 10.



# SERVICE DELIVERY ENVIRONMENT

## Simplification of the National Qualifications Framework

SAQA's mandate requires the simplification of the NQF. In the current financial year, SAQA made significant strides towards the simplification of the NQF. Its activities were focused on, but not limited to, the following:

- SAQA collaborated with the Council on Higher Education (CHE) to reduce the proliferation of qualifications in the higher education space. As a result, SAQA de-registered two hundred and forty-nine (249) qualifications on the CHE's recommendation, during the year under review.
- In line with the Ministerial Determination No. 1391 dated 24 December 2020, the registration end-date for all pre-2009 Occupational Qualification Sub-Framework (OQSF) qualifications was extended to 30 June 2023, excluding Higher Education Qualification Sub-Framework (HEQSF) qualifications that were erroneously allocated to the OQSF.
- The registration end-date for all HEQSF qualifications reaching their end-date on 30 June 2021 was extended to 30 June 2023 on the proviso that the CHE works towards reducing the proliferation of qualifications, especially among the seven thousand (7 000) qualifications that had a registration end-date of 30 June 2021.
- The registration end-date for all pre-2009 qualifications, unit standards and qualifications that did not meet the Policy and Criteria for the Registration of Qualifications and Part-Qualifications on the NQF (non-aligned qualifications) registered on the General and Further Education and Training Qualification Sub-Framework (GFETQSF) was extended to 30 June 2023.
- SAQA reviewed and amended two policies, namely, the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the Purposes of the NQF; and the Policy for Credit Accumulation and Transfer within the National Qualifications Framework.

## Quality qualifications

SAQA is mandated to ensure the integrity of the NQF by promoting quality qualifications, and monitoring and reporting on misrepresented qualifications. It follows strict protocols to pronounce on misrepresented qualifications. In preparation for the implementation of the NQF Amendment Act, 2019:

- SAQA put in place plans to set up a Register of Misrepresented Qualifications and a Register of Fraudulent Qualifications as Registers of the NLRD;
- SAQA recorded two thousand, six hundred and sixty-six (2 666) misrepresented national qualifications, one thousand, seven hundred and two (1 702) misrepresented foreign qualifications and one thousand, seven hundred and twenty-six (1 726) misrepresented SAQA Certificates of Evaluation on the List of Misrepresented Qualifications.

## Articulation

SAQA conducted several activities to promote and enhance articulation:

- SAQA submitted the final report for the South African Case Study of Flexible Learning Pathways (FLP) to UNESCO for IIEP-UNESCO Research 'SDG4: Planning for flexible learning pathways in higher education'. The case study covers access, redress, equity, and progression in learning-and-work pathways.

## Articulation and Recognition of Prior Learning

The Recognition of Prior Learning (RPL) is an integral part of SAQA's work as it allows for the formal recognition of skills and knowledge acquired through work. For this reason, SAQA undertook various initiatives during the course of the year, aimed at strengthening the RPL including continued collaboration on the 2021 NQF Impact Study that focuses on the implementation and impact of national RPL, CAT and other Flexible Learning and Teaching Pathways policies and practices. In addition:

- SAQA collected information and reported on the NQF Family's implementation of the DHET's Articulation Policy;



- SAQA played key roles in the articulation-related work of the Department of Basic Education (DBE) and DHET. SAQA's role was to clarify of the terminology 'General', 'Academic', 'Technical', 'Vocational' and 'Occupational' as they relate to qualifications. This work fed into the DBE's Three Stream Model that is designed to enhance articulation within Basic Education and well as between Basic Education and Post-School Education and Training (PSET). SAQA produced a catalogue of all the articulation-related work underway in the NQF family, which provides an excellent picture of what has been achieved to date.

#### Global engagement

SAQA is recognised globally as a leader in the development and implementation of its qualifications framework. It is an important role player in both regional and continental structures. During the 2020/21 financial year, SAQA participated in several international activities:

- In May 2020, SAQA was invited to present RPL experiences in South Africa, as part of the three-person panel discussion hosted by the State University of New York (SUNY) – the other two countries being the United States of America and Iceland. SAQA made key inputs into regional and continental NQF policies, guidelines, and other initiatives, in its role as a key continental player.
- SAQA presented a paper at the 6th Capacity Development Peer Learning (CDPL) Webinar of the African Continental Qualifications Framework (ACQF) on 22 October 2020. The purpose of the webinar was to share knowledge, case studies and experiences among African counterparts about NQFs.

#### Automation

SAQA continues to automate some of the processes that are central to its service delivery. During the reporting period, SAQA's automation projects were halted due to financial constraints. SAQA recognises that automation is critical to making its leaner structure functional, so that these projects will be prioritised in the next financial year.

## ORGANISATIONAL ENVIRONMENT

#### Funding

SAQA continues to operate in a resource-constrained environment as it receives less than half of its budget from the fiscus. During the year under review, the borders were closed and SAQA was unable to generate sufficient funds through its evaluation and verification services, to cover its salary bill. As a result, eighty-nine plus a further four staff members were retrenched. Plans to implement an alternate funding strategy are further hampered by the prolonged lockdown.

#### Legal Matters

Given the litigious environment, SAQA appointed a service provider to advise on legal matters as and when such cases arise.

SAQA's legal advisor is Cheadle Thompson and Haysom Inc. SAQA's previous legal firm, Webber Wentzel had filed papers in court in an attempt to recover costs awarded by the court, from a provider who has closed its doors. The cost of pursuing the matter to recover the money proved higher than the amount that could be recovered from the provider, so the Board decided to write this off as a bad debt.

#### Human Resources

Dr Julie Reddy continued to serve as SAQA's Acting CEO. Three senior managers resigned and one took a voluntary retrenchment package during the period under review. As a result, senior managers were carrying additional workloads. The organisation worked mostly remotely for the reporting period, as only a small proportion of staff who found it difficult to work from home, returned to the office during lockdown levels 3 and 4. More details on SAQA staff are provided in Part D of the report.

# KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

## The NQF Amendment Act

The President of the Republic of South Africa signed the NQF Amendment Act, No. 12 of 2019, into law and published it for general information. The Act's implementation date is yet to be proclaimed. This Act has a significant impact on SAQA's mandated functions as it gives SAQA additional powers and responsibilities. The most significant addition to SAQA's responsibilities involves establishing and recording information in the Registers of Misrepresented and Fraudulent Qualifications.

## Policy and Criteria for the Recognising a Professional Body and Registering a Professional Designation for the Purposes of the NQF (as amended 2020)

The SAQA Board approved amendments to the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation for the Purposes of the NQF, in September 2020.

## Policy and Criteria for Credit Accumulation and Transfer within the National Qualifications Framework (as amended 2021)

The SAQA Board approved amendments to the Policy and Criteria for Credit Accumulation and Transfer within the NQF, in March 2021.

## Impact Statement and Outcomes

**SAQA is required to deliver on agreed outputs in return for support and resources, as specified in its Strategic Plan. SAQA has adopted the following impact Statement:**

An integrated and transparent national qualifications framework that facilitates access to, and mobility and progression within education, training, and career paths. SAQA has listed five (5) outcomes in its Strategic Plan, as outlined in section A.

More detail about SAQA's work towards achieving these outcomes, is outlined below.

## 1. We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of lifelong learning

SAQA's work towards achieving an articulated NQF is described below:

SAQA is working on compiling the 2021 NQF Impact Study, the theme of which is 'The implementation and impact of policies for RPL, CAT and other flexible learning pathways'. All NQF stakeholder groups were surveyed and the related provider and professional body policies analysed for this project. The full draft report will be completed by March 2022.

- SAQA completed its in-depth report on the Case Study of Flexible Learning Pathways (FLPs) in South Africa. This project comprised one of eight case studies in the United Nations Educational, Scientific and Cultural Organisation (UNESCO) eight-country study of flexible learning pathways. South Africa was identified by UNESCO as having flexible learning pathway initiatives – such as RPL, CAT, Extended Curriculum Programmes, student mentoring programmes and Flexible Learning and Teaching Provision (FLTP) – worthy of study. SAQA presented this work in a UNESCO webinar series as well as in a SAQA-UNESCO webinar for national and international stakeholders. SAQA also drafted a paper on the NQF policy basket that supports flexible pathways, for publication in UNESCO's book on the topic.
- SAQA decided to review its Credit Accumulation and Transfer (CAT) Policy during the year. Survey results, comprising over seven years of CAT-related knowledge and experience gleaned from diverse NQF stakeholders, informed the revisions to the Policy, which was finalised and published in March 2021.

## 2. We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda

In the year under review, SAQA advised the Minister: Higher Education, Science, and Innovation, on the following matters:

- i. Request to end Transitional arrangements



Section 36 of the National Qualifications Act, No. 67 of 2008, makes allowance for transitional arrangements from the SAQA Act, No. 58 of 1995, to the NQF Act, No. 67 of 2008.

Section 36 states: “Despite the repeal of the SAQA Act contemplated in section 37-

- a. the members of the SAQA appointed in terms of the SAQA Act who are in office immediately prior to the commencement of this Act must fulfil the functions contemplated in section 13 until a new board is appointed by the Minister;
- b. the NQF, approved by the Minister as contemplated in the SAQA Act, continues to exist to the extent that it is consistent to this Act and must, where necessary, be amended by SAQA to ensure consistency with this Act;
- c. the regulations made under the SAQA Act continue to exist to the extent that they are consistent with this Act until they are repealed by the Minister by notice in the Gazette;
- d. a process or action which was started in terms of the SAQA Act prior to the commencement of this Act must be concluded in terms of the SAQA Act unless such process or action is inconsistent with this Act;
- e. a policy made under the SAQA Act continues to exist to the extent that it is consistent with this Act until it is withdrawn by the SAQA;
- f. subject to any applicable law, an employee of the SAQA who was employed immediately prior to the commencement of this Act continues to be employed in terms of this Act;
- g. the conditions of service or service benefits of employees of the SAQA which were applicable immediately prior to the commencement of this Act continue to exist until changed by the board; and
- h. all assets, rights, liabilities, and obligations of the SAQA that vested in the SAQA under the SAQA Act, continues to vest in the SAQA.

The South African Qualifications Authority (SAQA) was established by the South African Qualifications Authority Act, No. 58 of 1995 to develop and establish the National Qualifications Framework (NQF). SAQA published the National Standards Bodies (NSB) Regulations (Regulation 452) on 28 March 1998 that established the eight-level NQF. The NSB Regulations allowed for the registration of Standards Generating Bodies (SGBs) to develop and recommend standards and qualifications to the NSB for registration on the NQF.

Section 36(c) of the NQF Act states that “the regulations under the SAQA Act, No. 58 of 1995 continue to exist to the extent that they are consistent with the NQF Act, No. 67 of 2008, until Minister repeals them by notice in the Government Gazette”.

SAQA amended and published its Policy and Criteria for the Registration of Qualifications and Part-qualifications on the NQF, on 26 March 2020 (Government Gazette Notice 400 dated 26 March 2020). It incorporated the relevant sections of the NSB Regulations (R.482 dated 28 March 1998) into the revised Policy and Criteria.

SAQA has therefore successfully addressed all the transitional arrangements.

The 6th SAQA Board therefore advised the Minister, to repeal the NSB Regulations with immediate effect by placing a notice in the Government Gazette to this effect. SAQA still awaits the minister’s response.

#### ii. Determination of the Sub-Frameworks

SAQA advised the Minister: HESI on amendments to the determination of the Sub-Frameworks, including exceptions and transitional arrangements that should be put in place. After considering SAQA’s advice, the Minister, published the Determination of the Sub-Frameworks that comprise the National Qualifications Framework, in December 2020.

#### iii. Ministerial Determination in terms of Section 74 of the Higher Education Act

The Minister: HESI requested SAQA’s advice in terms of section 74 of the Higher Education Act, No. 101 of 1997, as amended. The advice sought was about the abolition of the statutory status of the Committee of [University] Principals (CUP), the Matriculation Board (MB) and the Committee of Technikon Principals (CTP). These bodies cease to exist on a date to be determined by the Minister: HESI. The Higher Education Act, 1997, as amended provides that any determination may only be made after consultation with SAQA, the CUP, the CTP, and the MB.

The Minister: HESI intends publishing a set of draft proposals for public comment. These proposals included the proposal “that those functions of the Matriculation Board that remain necessary to ensure alternative access to public and private higher education, be taken over by Umalusi, acting in terms of existing provisions of the GENFETQA Act, (Act 58 of 2001) augmented as may be necessary by regulations to be promulgated under that Act, and that the assets and obligations of the MB, including its staff, be transferred to Umalusi as a going concern, having regard to the provisions of the Labour Relations Act, (Act 66 of 1995) in particular section 197;”.

SAQA did not support the proposal above and provided background information and reasons for its opinion below.

The Department of Higher Education and Training (DHET) requested the SAQA Board to consider taking on the functions of the MB in 2012. SAQA investigated the feasibility of absorbing this function in 2012/13 and developed a position paper in this regard, but the matter did not proceed further.

The relevant functions of the Matriculation Board appear below.

- a. **Administering the Matriculation Board Regulations.** The regulations relate to evaluating the minimum criteria for foreign qualifications’ entry into higher education; and allowing for exceptional cases. Given different international school leaving benchmarks, the MB updates the list of acceptable qualifications on face value for admission to first-degree studies at South African universities on an ongoing basis.
- b. **Maintaining historical records to ensure that important institutional memory is not lost.** The MB also issues copies of certificates to persons who have lost their certificates, although these applications were declining.
- c. **Setting minimum standards for entry into higher education based on the Senior Certificate.** A matriculation exemption is a legal requirement for the first-degree study at a South African university. Students who did not pass Senior Certificate with endorsement are required by law to apply for a matriculation exemption through the Matriculation Board. International students wishing to register for first-degree studies in South Africa must have their school qualifications evaluated

by the Matriculation Board that will then issue a certificate of exemption to those who qualify. A certificate of exemption is issued on application to prospective students who have obtained a Senior Certificate without endorsement or equivalent foreign school-leaving qualification, who meets the requirements of the published regulations and wishes to pursue first-degree studies at a South African university. This function includes making provision for alternative routes into higher education institutions e.g., for students with disabilities, adults who did not meet the senior certificate requirements, etc.

Section 13(1)(m) of the NQF Act, 2008, as amended states:

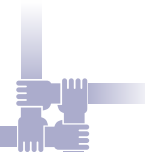
“with respect to foreign qualifications, provide an evaluation and advisory service consistent with this Act”; and therefore, gives SAQA the sole mandate to evaluate foreign qualifications.

Matriculation exemption using the qualifications in South Africa is straightforward. It is much more complicated for candidates with foreign qualifications. It is therefore critical that this function rests with SAQA, which already evaluates foreign qualifications. SAQA can provide a one-stop-shop for learners with foreign qualifications. Systems and processes already exist within SAQA; so there would be a good fit with the staff of the MB. SAQA hosts the largest database of learner achievement data (the NLRD) and can therefore ensure that the learner records held by the MB are loaded on the NLRD and are easily accessible. SAQA, therefore, believes that it is perfectly positioned to take on the MB functions.

The Minister has not made a determination of Section 74 of the Higher Education Act yet.

### 3. **We have well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people**

SAQA updated articulation information for sixty-five (65) qualifications already on the NQF. In addition, it collated information from DHET and the QCs and drafted the Report on the Implementation of the Articulation Policy, which it sent to the Minister: HESI.



SAQA recognised seventeen (17) professional bodies and de-recognised 2 professional bodies. SAQA also researched the roles and responsibilities of statutory and non-statutory professional bodies and produced a research paper on the topic. SAQA will discuss this research paper with the professional bodies in the 2021/22 financial year, before using it to determine what SAQA recognition would mean to these two groups of professional bodies.

#### 4. **We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF**

SAQA continued with both formal, non-formal and informal efforts to value and empower staff to contribute to organisational effectiveness, efficiency, and delivery on the requirements of the NQF as follows:

- SAQA developed a new organisational design aimed at maximising effectiveness and efficiency
- SAQA provided educational assistance to two employees

SAQA's staff development is geared towards developing a world-class NQF that works for the people in South Africa. Thus, constant learning interventions were implemented for staff to become better ambassadors of SAQA and the NQF. During the period under review all staff members under-took at least two development interventions online.

#### 5. **We have stakeholders and role-players who are aligned to deliver on the NQF**

SAQA continued to oversee and facilitate the implementation of NQF policies in a coherent, simple, and integrated manner across education, training, development and work as follows:

- SAQA is working with the CHE to conceptualise a workflow tracking system for qualifications and part-qualifications that will allow for a three-week turnaround time. This is a multi-year project that requires funding. The current target (without automation) is a four-month turnaround.
- SAQA has recognised one hundred and two (102) professional bodies. All recognised professional bodies loaded professional designation information on the NLRD during the financial year.
- The NQF Act, 2008 as amended also requires the Quality Councils to load qualification achievement and related data on the NLRD. Only Umalusi fulfilled this requirement in the current financial year. SAQA managed the CHE's database containing private higher education achievement data, until 31 March 2021. The CHE took over the management of this database on 1 April 2021 and will therefore own this responsibility in the next financial year. The QCTO must still find a way of loading data from SETAs on the NLRD.
- SAQA, the QCs, DHET and the DBE meet quarterly as the CEO Committee to discuss strategic matters related to the NQF. The CEO Committee tracks progress on implementing the deliverables of the Ministerial Guidelines and the NQF Implementation Framework, and reports progress to the Minister: HESI annually.



# PROGRESS AGAINST THE FIVE-YEAR TARGETS

Outcome Statement	Five-year Outcome Indicators	Five-Year Targets	Year 1 (2020/21) Achievements	Comments
<b>We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning</b>	1. NQF Policies that support the changing needs of life-long learning	Review five NQF Policies and amend them as required	Reviewed the CAT Policy	On track to achieve the five-year target
	2. Amended NQF Policies are implemented	Monitor the implementation of the reviewed NQF Policies	Not a deliverable in Year 1	Deliverable in 2022/23
<b>We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda</b>	3. SAQA influences and shapes national and international discourses	Align the SA NQF to the proposed African Continental Qualifications Framework	Not a deliverable in Year 1	We await the finalisation of the ACQF
		Implement the Addis Convention	Developed an Action Plan to implement SAQA's portion of the Addis Convention	SAQA awaits DHET's leadership in implementing the Addis Convention
	4. SAQA's work through the CEO Committee shows the results of a well-researched and clearly formulated NQF agenda	Conclude all transitional arrangements listed in section 36 of the NQF Act, 2008	SAQA advised the Minister: HESI to end the transitional arrangements	SAQA awaits the Minister's response
		Strengthen the System of Collaboration and NQF structures	Not a Year 1 deliverable	SAQA assessed the effectiveness of the System of Collaboration and sent a report to the Minister. The System of Collaboration requires changes to the NQF Act, 2008 to strengthen it.
	5. SAQA's activities promote a world-class NQF that is well understood and benefits all stakeholders	SAQA reaches 5 000 000 people through its advocacy and communication initiatives	SAQA reached <b>2 151 015</b> people through its social media advocacy and communication initiatives and an additional 600 people through its webinars	On track to achieve the five-year target
		The NLRD reflects 24 million learner achievements	The NLRD contains <b>17 918 214</b> learner achievements (qualifications) as well as <b>113 886 076</b> part-qualification achievements and <b>1 191 266</b> people with designations	On track to achieve the five-year target



Outcome Statement	Five-year Outcome Indicators	Five-Year Targets	Year 1 (2020/21) Achievements	Comments
<b>We have well-articulated quality-assured qualifications and relevant professional designations that instil trust and meet the needs of the people</b>	6. There are well-defined systemic, specific, or individual Articulation pathways within and across Sub-Frameworks	All qualifications registered on the NQF after 1 January 2014 have at least one Articulation pathway within or across Sub-Frameworks	SAQA identified qualifications already registered on the NQF after 1 January 2014 that do not have an articulation option and requested missing information from QCs  HEQSF qualifications with no articulation pathways: 74  SAQA received information and updated 62 of the 74 qualifications  OQSF qualifications with no articulation pathways: 75  SAQA received information and updated 3 of the 75 qualifications	Awaiting information on 12 qualifications from the CHE and 72 qualifications from the QCTO
	7. There is a clear understanding of the types of professional bodies, their designations and their value-add in the changing NQF landscape	Clearly define the roles of statutory and non-statutory professional bodies and use the research findings to amend the Policy and Criteria for Recognising a Professional Body and Registering a Professional Designation	Conducted research on the roles of statutory and non-statutory professional bodies	This is a Year 2 deliverable
<b>We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF</b>	8. SAQA's structure is aligned to deliver on its strategy	Re-design SAQA's structure to better suit the delivery of its strategy	Reviewed and redesigned the organisational structure	Implementation of the new structure will take place in Year 2. The Board will also approve the final structure in Year 2.
	9. SAQA develops and trains its staff	Every staff member has at least two learning interventions per year	Implemented learning and development for all staff. All staff members had at least two learning interventions in the year.	Due to the Covid 19 pandemic and resulting lockdown, this target was achieved through online interventions.
<b>We have stakeholders and role-players who are aligned to deliver on the NQF</b>	10. The NQF value chain works efficiently	Develop a functional system that allows for the efficient registration of qualifications within three weeks	SAQA is working with the CHE to conceptualise a workflow tracking system for qualifications and part-qualifications that will allow for a three-week turnaround time.	This is a multi-year project that requires funding. The current target (without automation) is a four-month turnaround.  SAQA processed 628 qualifications during Year 1. Of this number, 287 qualifications were processed for registration on the NQF. Registered in 1 month: 65% Registered in 2 months: 10% Registered in 3 months: 5% Registered in 4 months: 20%



Outcome Statement	Five-year Outcome Indicators	Five-Year Targets	Year 1 (2020/21) Achievements	Comments
		SAQA identifies all historical (legacy) datasets that are not on the NLRD, secures and loads it on the NLRD	Not a Year 1 deliverable	SAQA requires additional funding to digitise all paper-based legacy records that it locates.
<b>We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda</b>		90% of national learner achievements submitted for verification appear on the NLRD	Not a Year 1 deliverable	In Year 1, 65,6% of national records verified were found on the NLRD. The rest required confirmation of authenticity from the provider.
<b>We have stakeholders and role-players who are aligned to deliver on the NQF</b>		All recognised professional bodies load information about their members with professional designations on the NLRD annually	All recognised professional bodies loaded professional designation achievements that meet the requirements, on the NLRD	SAQA has 102 recognised professional bodies. Professional bodies that do not load data annually are allowed to rectify the situation within a specified period or face de-recognition. All 102 professional bodies loaded professional designation information on the NLRD during the financial year.



## PERFORMANCE INFORMATION BY PROGRAMME

SAQA has six programmes that appear in the table below.

Programme	Sub-Programme	Strategic Outcome/s
<b>1. ADMINISTRATION</b>	1.1 Executive Office: responsible for the overall coordination and organisational performance in response to SAQA's mandate	We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda
	1.2 Finance and Administration: responsible for effective financial and infrastructural governance and resources to support SAQA's objectives	We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF
	1.3 Human Resources: responsible for providing strategic and operational support to embrace diversity, environmental sustainability, and social justice and contribute towards the delivery of SAQA's mandate	We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF
	1.4 Information Technology: responsible for effective ICT governance and IT infrastructural resources to support the achievement of organisational objectives and business processes	We have stakeholders and role-players who are aligned to deliver on the NQF
	1.5 Advocacy, Communication and Support: responsible for informing stakeholders and the public about the NQF, SAQA and related matters	We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda
<b>2. REGISTRATION AND RECOGNITION</b>	Responsible for registering nationally relevant and internationally comparable qualifications and part-qualifications that meet national criteria and articulates across sub-frameworks; and recognising professional bodies and registering professional designations	We have stakeholders and role-players who are aligned to deliver on the NQF; and We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people
<b>3. NATIONAL LEARNERS' RECORDS DATABASE</b>	Responsible for maintaining and further developing the NLRD's functionality which serves as the key national source of information for human resource and skills development in terms of policy, infrastructure, and planning	We have stakeholders and role-players who are aligned to deliver on the NQF; and We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people
	3.1 VERIFICATIONS PROJECT: responsible for verifying the authenticity of national qualifications	We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people
<b>4. FOREIGN QUALIFICATIONS EVALUATION AND ADVISORY SERVICES</b>	Responsible for evaluating foreign qualifications against set criteria including verification of the authenticity of qualifications and comparison of foreign qualifications with similar qualifications on the South African NQF	We have a dynamic NQF that is responsive, adapts to, and support the changing needs of life-long learners
<b>5. RESEARCH</b>	Responsible for conducting evidence-based research to evaluate the impact of the NQF and inform the development and further implementation of the NQF	We have a dynamic NQF that is responsive, adapts to, and support the changing needs of life-long learners; and We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people
<b>6. INTERNATIONAL LIAISON</b>	Responsible for liaising with international partners on matters concerning qualifications frameworks and sharing best practice within the NQF family	We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda

This report is based on the Annual Performance Plan for 2020/21 that the Executive Authority approved on 6 March 2020 and the Revised Annual Performance Plan 2020/21 that was submitted on 8 July 2020 and again on 14 December 2020, with a change in the budget. The Minister: HESI approved the Revised Strategic Plan and APP with the budget on 12 March 2021.

## Programme 1

Original Tabled APP 2020/21: March 2020

1.1 Executive Office									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda	Strengthened System of Collaboration and NQF structures	1. An effective System of Collaboration and NQF structures	Produced report on the implementation and effectiveness of collaboration between SAQA and the QCs The Board approved the report for submission to the Minister	Implemented the System of Collaboration to guide mutual relations between SAQA and the QCs and reported on its effectiveness  Reviewed the System of Collaboration and amended as required	Assess the effectiveness of the System of Collaboration	Achieved  Assessed the effectiveness of the System of Collaboration  Produced a report and sent the Board-approved report to the Minister: HESI	No	N/A	N/A



Executive Office Team



## 1.1 Executive Office

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
	Advice to the Executive Authority on NQF matters, including the alignment of relevant Laws	2. Evidence of advice provided to the Executive Authority	SAQA provided advice to the Minister on the TVET landscape	Provided advice to the Minister: HET on all requested matters, or as and when deemed necessary	Advise the Executive Authority on NQF matters as required	<p>Achieved</p> <p>SAQA advised the Minister: HESI on the following: *Determination of the Sub-Frameworks; * Ending the transitional arrangements from the SAQA Act to the NQF Act; and *The Matriculation Board function</p> <p>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</p>	No	N/A	N/A
	Implementation of the closure of transitional arrangements from the SAQA Act to the NQF Act	3. Compliance with the requirements of the NQF Act			Produce a Progress Report on ending the transitional arrangements	<p>Completed ahead of schedule</p> <p>In addition to the progress report, SAQA provided advice to the Minister on ending the transitional arrangements</p>	Yes	SAQA sees the ending of the transitional arrangements as an urgent priority and therefore completed this deliverable ahead of schedule	N/A

## 1.2 Finance & Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF	Alternative revenue streams to support the work of SAQA	4. Sufficient revenue to support SAQA's work			Develop a strategy to secure alternative funding	Achieved  Developed a strategy to secure alternative funding  The Board approved the proposed strategy	No	N/A	N/A



Finance & Administration Team



### 1.3 Human Resources

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have a competent and capable team, dedicated, and resourced to further develop and maintain the NQF	Re-design SAQA's structure to better suit delivery on its strategy	5. SAQA's structure is aligned to deliver on its strategy			Review and re-design the organisational structure	Achieved  Reviewed and re-designed the organisational structure  After a series of consultations, the 6th Board approved the proposed macro-structure and the 7th Board approved the micro-structure for implementation	No	N/A	N/A
	Staff capacity building programmes	6. Implemented Staff capacity building programmes	All staff members participated in at least one learning and development intervention	All SAQA staff members participated in at least one learning and development activity	Every staff member has at least two learning interventions per year	Achieved  Every staff member participated in at least two learning interventions  Recorded activities for 22 learning interventions SAQA sponsored two (2) employees to study towards their formal qualifications	No	N/A	N/A



Human Resource Team

#### 1.4 Information Technology

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have stakeholders and role-players who are aligned to deliver on the NQF	3 NLRD Registers	7. Efficient electronic processes across SAQA			Develop Registers for professional designations; misrepresented qualifications and fraudulent qualifications	Not achieved  The tool was developed in-house but was not fit for purpose	Yes	Developed a tool in-house for registers of misrepresented and fraudulent qualifications using MS Access and tested the tool  The tool works but does not meet the user needs as it lacks the envisaged functionality of a fully-fledged database  Management decided to use this tool specifications document to develop two Registers as part of the NLRD, in the next financial year	N/A



Information Technology Team



#### 1.4 Information Technology

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
	A workflow system for the evaluation of foreign qualifications				Conceptualise the system for the evaluation of foreign qualifications	Not achieved  This project did not proceed due to the lack of funding	Project postponed to the 2022/23 financial year if funding permits	Lack of funding	Lack of funding
	A workflow tracking system for qualifications and part-qualifications	8. Integrated Tracking System for qualifications and part-qualifications			Conceptualise a workflow tracking system for qualifications and part-qualifications	Achieved  Conceptualised a workflow tracking system for qualifications and part-qualifications in collaboration with the CHE  The development of the workflow is in progress	No	N/A	N/A



## 1.5 Advocacy, Communications & Support

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have visionary and influential leadership that drives a well-researched and clearly formulated NQF agenda	The NQF explained simply (Simplification)	9. Stakeholder's access simplified information about the NQF	Recorded <b>3 803 354</b> people interactions on digital media platforms	Recorded <b>4 200 000</b> people interacting with content on SAQA/NQF digital platforms	Implement four comprehensive campaigns aimed at informing the public about the NQF in a simplified manner that is easy to understand	Exceeded target  SAQA hosted four webinars focusing on the NQF and two social media campaigns  Followers made <b>2 151 015</b> impressions on SAQA's social media platforms and website	Yes	Exceeded target because of stakeholder interest in SAQA's work and services	N/A
	A growing number of learner achievements on the NLRD	10. An increasing number of learner achievements recorded on the NLRD			The NLRD contains 20 000 000 learner achievements	Achieved  The NLRD contains  <b>17 918 214</b> qualification achievements, <b>1 191 266</b> professional designation awards and <b>113 886 076</b> part-qualification achievements  The total number of unique learners' records is <b>20 555 731</b>	No	N/A	N/A



Advocacy, Communications & Support Team



## Re-Tabled APP 2020/21

### Programme 1

1.4 Information Technology								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
We have stakeholders and role-players who are aligned to deliver on the NQF	A workflow tracking system for qualifications and part-qualifications	7. Efficient electronic processes across SAQA			No target in Revised APP	N/A	N/A	N/A

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

**Executive Office** is responsible for the overall coordination and performance of the authority in response to the NQF mandate. The Executive Office's role is to provide leadership to the NQF family; to act as the custodian of the values of the NQF; and to advise the Minister: HEST on matters involving the legislative and policy environment. Without strong and clear leadership, the NQF family may not implement the NQF Amendment Act and the NQF Policies as intended. The Executive Office also guides SAQA staff and takes responsibility for implementing the Strategic Plan and Annual Performance Plan.

**Finance and Administration** are responsible for ensuring effective governance and the aligned development of financial and infrastructural resources to support the achievement of organisational objectives. The Finance Directorate ensures that SAQA adheres to the PFMA and National Treasury requirements. This Directorate must also ensure that SAQA has the required budget to deliver on its mandate and that expenditure is within budget. Lastly, the Directorate is responsible for maintaining the building infrastructure.

**Human Resources** are responsible for providing human resource support to embrace diversity, environmental sustainability, and social justice and contribute to delivering SAQA's mandate. The Human Resources Directorate ensures that SAQA employs the right people with the right skills, and that staff are trained to deliver on SAQA's mandate.

**Information Technology:** Responsible for ensuring effective IT governance and the aligned development of IT infrastructural resources to support the achievement of organisational objectives and business processes. The IT Directorate drives SAQA's plans to embrace the Fourth Industrial Revolution by automating operations across the organisation and developing end-to-end workflows where required.

**Advocacy, Communication and Support** are responsible for informing stakeholders and the public about the NQF, SAQA and related matters. This Directorate works with the Quality Councils, DHET and DBE to ensure that everyone communicates the same messages simply.

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

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

#### **Comment on deviations**

SAQA delayed the planned annual target for 2020/21 to conceptualise the system for evaluating foreign qualifications to the next financial year (2021/22) due to a lack of funding.



## Programme 2

Original Tabled APP 2020/21: March 2020

2. Registration & Recognition									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have stakeholders and role-players who are aligned to deliver on the NQF	Improved turnaround times for the registration of qualifications and part-qualifications (Simplified NQF)	11. Streamlined processes and improved turnaround times			Register qualifications recommended by QCs that meet all SAQA's criteria within four months of submission	Achieved  Registered all qualifications recommended by QCs that met all SAQA's criteria, within four months of submission  Processed 287 qualifications for registration on the NQF  Registered in 1 month: 65% Registered in 2 months: 10% Registered in 3 months: 5% Registered in 4 months: 20%	No	N/A	N/A
	Reduced, proliferation of qualifications registered on the NQF (Simplified NQF)	12. Increased number of national qualifications and part-qualifications registered on the NQF			Produce a concept paper on the registration of national qualifications on the NQF in consultation with the 3 QCs and DHET	Not achieved  Developed a concept paper on the registration of national qualifications, but did not proceed with workshops with the QCs	Yes	Could not meet deliverable owing to a lack of financial resources and conflicting priorities	Deliverable moved to 2021/22

2. Registration & Recognition									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Registered qualifications that articulate across Sub-Frameworks (Simplified NQF)	13. Increased number of qualifications that articulate across Sub-Frameworks			Identify qualifications already registered on the NQF after 1 January 2014 that do not have an articulation option and request missing information from QCs	Achieved  Identified qualifications with no articulation pathways and requested missing information from the QCs  Updated the records of qualifications on the NLRD where QCs had provided information	No	N/A	N/A
	A refined understanding of a professional body and its value-add in the NQF landscape (Simplified NQF)	14. A clearly defined role of a professional body			Research the roles of statutory and non-statutory professional bodies	Conducted research on the roles of statutory and non-statutory professional bodies and produced a research document outlining these roles	Yes	Stakeholder workshops could not take place due to a strain on resources and conflicting priorities	Amended deliverable to include only the research in this financial year  Stakeholder workshops moved to next financial year



Registration & Recognition Team



## Re-Tabled APP 2020/21

### Programme 2

2. Registration & Recognition								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
We have stakeholders and role-players who are aligned to deliver on the NQF	Reduced proliferation of qualifications registered on the NQF (Simplified NQF)	12. Increased number of national qualifications and part-qualifications registered on the NQF			No target for 2020/21	N/A	No	N/A
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)	14. A clearly defined role of a professional body			Research the roles of statutory and non-statutory professional bodies	Conducted research on the role of statutory and non-statutory professional bodies and produced a research document outlining these roles	No	N/A



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

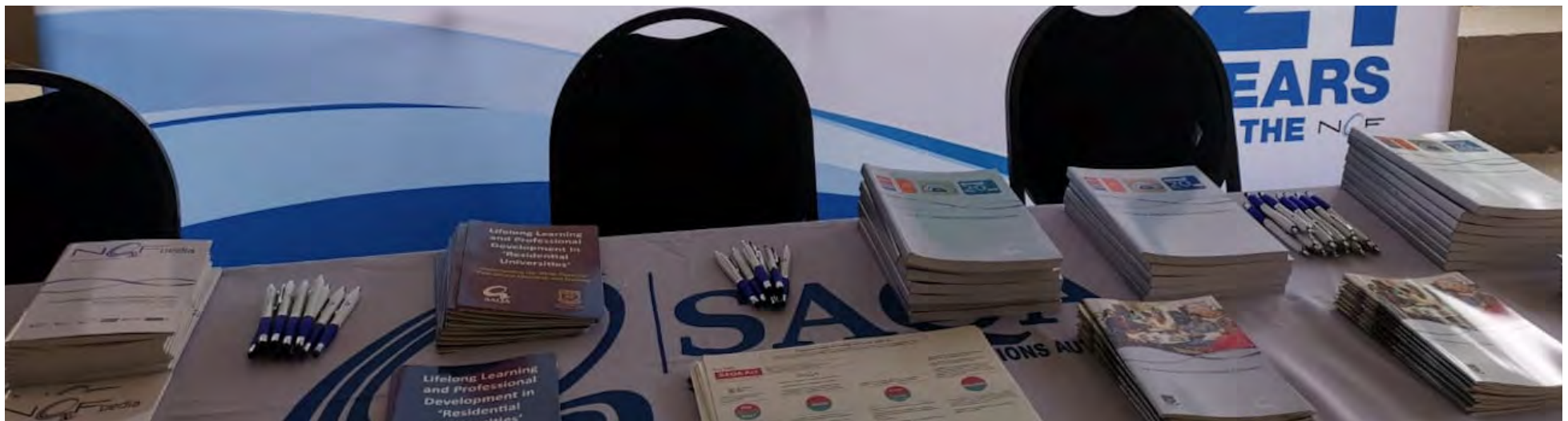
This programme is responsible for registering qualifications and part-qualifications, recognising professional bodies, and registering professional designations. This programme contributes to two of the five Outcomes. They are:

- We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people
- We have stakeholders and role-players who are aligned to deliver on the NQF
- The five-year focus is for this Directorate to:
- Develop a streamlined workflow to register qualifications faster;
- Create clear policies and guidelines for registering national qualifications;
- Reduce the number of qualifications on the NQF by encouraging the Quality Councils to recommend national qualifications instead of provider qualifications; and
- Automate and streamline processes for efficient, professional body recognition and monitoring.

## Comment on deviations

SAQA did not achieve the planned annual target for 2020/21 to produce a concept paper on the registration of national qualifications on the NQF in consultation with the 3 QCs and DHET. The Lack of resources, the challenge of working remotely and online, and the organisation's instability due to the protracted threat of voluntary retrenchments and eventual restructure have resulted in the deliverable being moved to the 2021/22 financial year.

SAQA amended the planned annual target for 2020/21 to research the roles of statutory and non-statutory professional bodies, conducted the research and produced a research document outlining these roles. Stakeholder consultations will take place in the 2021/22 financial year, since SAQA staff have been working remotely and online consultations proved difficult.





## Programme 3

Original Tabled APP 2020/21: March 2020

3. National Learners' Records Database (NLRD)									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	NLRD information for informed decision making	15. Access and use of NLRD information			Make the public information on the NLRD easily accessible and usable by all stakeholders	Not Achieved  The website was revamped, making it easier to gain access to the NLRD databases, but the databases themselves did not get revamped	Yes	Resource limitations resulting from the Covid-19 pandemic and lockdown delayed project	N/A
We have stakeholders and role-players who are aligned to deliver on the NQF	Legacy learner achievement records on the NLRD	16. Percentage completeness of legacy learner achievement data on the NLRD			80% or more of national learner achievements submitted for verification are found on the NLRD	Not achieved  Compiled a list of missing datasets in collaboration with the Verifications Project	Yes	Deliverable requires SAQA to source legacy qualification achievements stored in hard copies, digitise, index, and load these records on the NLRD  SAQA does not have funding to digitise any records	Deliverable moved to 2022/23 in the hope that funding can be raised

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

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
	Current learner achievement records on the NLRD	17. Learner achievement records loaded within 30 days of records being quality assured			Ensure that QCs load learner achievement records on the NLRD within 30 days of records being quality assured	Could not be achieved	Yes	<p>The NQF Amendment Act, 2019 gives SAQA this function</p> <p>Included deliverable in APP in anticipation of the President proclaiming the Act in April 2020</p> <p>Deliverable moved to 2022/23, after the proclamation of the NQF Amendment Act, 2019</p>	The NQF Amendment Act, 2019 was not proclaimed as expected
	Professional designations on the NLRD	18. Percentage completeness of learner achievement data from professional bodies on the NLRD			All recognised professional bodies load professional designation achievements that meet the requirements, on the NLRD	Achieved  All recognised professional bodies loaded professional designation achievements that meet the requirements, on the NLRD	N/A	N/A	N/A



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

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
	Registers of Misrepresented and Fraudulent Qualifications	19. Updated Registers of Misrepresented and Fraudulent Qualifications			Develop and publish the Policy on the Misrepresentation of Qualifications in line with the Amended NQF Act	Achieved  The SAQA Board approved the Policy in December 2020	Yes	The President did not proclaim the NQF Amendment Act, 2019  SAQA, therefore, could not publish the Policy on the Misrepresentation of Qualifications	Removed the requirement to publish the Policy in the financial year as SAQA can only publish the Policy after the proclamation of the NQF Amendment Act, 2019
			The List of Misrepresented Qualifications was updated Produced bi-monthly reports on Misrepresented Qualifications and sent these reports to the Minister	Maintained and reported bi-monthly on the Register of Misrepresented Qualifications to the Minister	Update the Register of Misrepresented Qualifications	Achieved  Updated the List of Misrepresented Qualifications	Yes	The President did not proclaim the NQF Amendment Act, 2019, thus establishing the Registers of Misrepresented and Fraudulent Qualifications  SAQA therefore updated the List of Misrepresented Qualifications	N/A

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

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
			Met with the Dept. of Justice on 11 February 2019  The DOJ agreed to provide information on fraudulent qualifications to SAQA	Updated and reported on the Register of Fraudulent Qualifications	Update the register of Fraudulent Qualifications as and when required	Could not be achieved	Yes	The President has not proclaimed the NQF Amendment Act, 2019 that establishes the Register of Fraudulent Qualifications SAQA could not achieve this deliverable	Removed deliverable from revised APP until the President proclaims the NQF Amendment Act, 2019



National Learners' Records Database (NLRD) Team



### 3.1 Verifications Project

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	A trusted qualification verification process	20. A Verification service used by employers and institutions			Complete all applications received for the verification of national qualifications within 20 working days	Not achieved  Did not complete all applications received for the verification of national qualifications within 20 working days	Yes	Could not verify some records within 20 working days because the NLRD does not contain the data, and education institutions did not respond within the requested time	N/A



Verifications Project Team

## Re-Tabled APP 2020/21:

### Programme 3

3. National Learners' Records Database (NLRD)								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
We have stakeholders and role-players who are aligned to deliver on the NQF	Legacy learner achievement records on the NLRD	16. Percentage completeness of legacy learner achievement data on the NLRD			No target set	N/A	N/A	N/A
We have stakeholders and role-players who are aligned to deliver on the NQF	Current learner achievement records on the NLRD	17. Learner achievement records loaded within 30 days of records being quality assured			No target set	N/A	N/A	N/A
We have stakeholders and role-players who are aligned to deliver on the NQF	Registers of Misrepresented and Fraudulent Qualifications	19. Updated Registers of Misrepresented and Fraudulent Qualifications			Develop the Policy on the Misrepresentation of Qualifications in line with the Amended NQF Act	Developed the Policy on the Misrepresentation of Qualifications The Board approved the Policy in December 2020	N/A	N/A
					No target set for updating the Register of Fraudulent Qualifications	N/A	N/A	N/A





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

The NLRD Directorate is responsible for maintaining and further developing the NLRD as the critical national source of information for human resource and skills development in policy, infrastructure, and planning. The Directorate's five-year focus is on:

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

The Verifications Project is responsible for verifying national qualifications. This Project must ensure that it streamlines its processes where possible to reduce the time that it takes to verify qualification achievements.

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

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

### Deviations

There were three deviations in this programme in this financial year.

SAQA moved the planned annual target 80% or more of national learner achievements submitted for verification found on the NLRD, to the 2022/23 financial year as this deliverable requires SAQA to source legacy qualification achievements stored in hard copies, digitise, index, and load these records on the NLRD. SAQA does not have funding to digitise any records. SAQA hopes to raise funds for this important initiative. In the meanwhile, SAQA compiled a list of missing datasets for the NLRD, in collaboration with the Verifications Project

SAQA could not achieve the planned annual target to ensure that QCs load learner achievement records on the NLRD within 30 days of records being quality assured because the NQF Amendment Act, 2019 gives SAQA this function, and the President did not proclaim the Act during this financial year. SAQA added this deliverable to the APP in anticipation of the President proclaiming the Act in April 2020. The deliverable has therefore been moved to 2022/23.

Lastly, SAQA amended the planned annual target to develop and publish the Policy on the Misrepresentation of Qualifications in line with the Amended NQF Act. Although SAQA had developed the policy and the SAQA Board approved it in December 2020, the [and publish] was removed from 2020/21. The policy will only be published on the SEIAS process has been completed and the President has proclaimed the NQF Amendment Act, 2019.

## Programme 4

Original Tabled APP 2020/21: March 2020

4. Foreign Qualifications Evaluation & Advisory Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have a dynamic NQF that is responsive, adapts to, and support the changing needs of life-long learners	A foreign qualifications evaluation and advisory service that meets changing learner and worker needs	21. Articulation from foreign systems into South Africa takes place			Conceptualise and develop a mechanism to track the access of foreign qualification holders in the South African educational and work environments	Not achieved  Conceptualised a mechanism to track the access of foreign qualification holders in the South African educational and work environments	Yes	Lack of financial and human resources	Deliverable moved to 2021/22
		22. The evaluation criteria align with the current legislative and policy context			Develop evaluation criteria in line with NQF Act, 2008, as amended and other relevant legal instruments	Achieved Considered the implications of the NQF Amendment Act and reviewed the policy and criteria for evaluating foreign qualifications pending the proclamation of the Amendment Act	N/A	N/A	N/A



Foreign Qualifications Evaluation & Advisory Services Team



## Re-Tabled APP 2020/21

### Programme 4

4. Foreign Qualifications Evaluation & Advisory Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
We have a dynamic NQF that is responsive, adapts to, and support the changing needs of life-long learners	A foreign qualifications evaluation and advisory service that meets changing learner and worker needs	21. Articulation from foreign systems into South Africa takes place			No target set	N/A	N/A	N/A

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

The Foreign Qualifications and Advisory Services Directorate is responsible for evaluating foreign qualifications and providing advice on international learning and qualifications.

This Directorate must ensure that it:

- Aligns with the NQF Act 2008, as amended and any other relevant policies; and
- Is able to show the value of its evaluation service by tracking the progress

of foreign qualifications holders in their educational and work environments.

- Programme 4 contributes to achieving one of the five Outcomes, namely:
- A dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning.

### Comment on deviations

SAQA moved the planned annual target to conceptualise and develop a mechanism to track the access of foreign qualification holders in the South African educational and work environments, to the 2021/22 financial year, due to staffing and funding constraints.



Foreign Qualifications Evaluation & Advisory Services Team

## Programme 5

Original Tabled APP 2020/21: March 2020

5. Research									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning	Reviewed NQF Policies and recommendations for Policy amendments	23. Number of policies reviewed			Review one NQF policy	Achieved  Reviewed and amended the CAT Policy  Reviewed and amended the Policy & Criteria for Recognising a Professional Body and Registering a Professional Designation  The Board approved both policies	Exceeded Target	SAQA planned to review the CAT policy  However, there was an urgent need to amend the Policy & Criteria for Recognising a Professional Body and Registering a Professional Designation	N/A
	Implemented Policies	24. The implementation of amended Policies are monitored			No target for 2020/21	N/A	N/A	N/A	N/A



5. Research									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
	Research on the implementation of the NQF	25. Findings and recommendations of NQF-related research	Commence conceptualisation of the 2021 NQF Impact Study	Produce a progress report on the 2021 NQF Impact Study	Produce a progress report on the 2021 NQF Impact Study	Produced a progress report on the 2021 NQF Impact Study	N/A	N/A	N/A
			Produced a detailed report on progress made with the current partnership	Provided a detailed report on progress made with the existing partnership	Establish a new research partnership	Not achieved	Yes	Lack of funds	Project moved to 2021/22 due to a lack of available funds  Amended the deliverable for the current financial year
We have well-articulated quality-assured-qualifications and relevant professional designations that instil trust and meet the needs of the people	Coordinated Articulation, CAT and RPL initiatives	26. Record of Articulation initiatives		Reported on SAQA's contribution to the Action Plan for Articulation	Provide the Minister with a report on progress made by SAQA and the QCs in implementing the Articulation Policy	The Board approved the Report on the Implementation of the Articulation Policy for submission to the Minister: HESI	No	N/A	N/A



Research Team

## Re-Tabled APP 2020/21

### Programme 5

5. Research								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
We have a dynamic NQF that is responsive, adapts to, and supports the changing needs of life-long learning	Research on the implementation of the NQF	25. Findings and recommendations of NQF-related research	Produced a detailed report on progress made with the current partnership	Provided a detailed report on progress made with the existing partnership	Compile specifications for a new research and development partnership	Compiled specifications for a new research and development partnership	No	N/A

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

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

The five-year focus is on:

- Recommending amendments to current NQF Policies based on research;
- Producing the 2021 NQF Impact Study Report;
- Establishing a new research partnership;
- Reporting on progress made with implementing the Articulation Policy; and
- Monitoring the implementation of the amended Policies.

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

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

#### Comment on deviations

The Research Directorate had one deviation from its planned annual targets. SAQA amended the target to establish a new research and development partnership to compiling specifications for the new research partnership. SAQA moved this project to 2021/22 due to a lack of available funds.





## Programme 6

Original Tabled APP 2020/21: March 2020

6. International Liaison									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda	National and international promotion of the SA NQF	27. Prominent national, regional, and global standing			Identify and implement two initiatives to promote the SA NQF	Not achieved	Yes	There is uncertainty as to when travel restrictions will be lifted  Many international events were postponed	Target changed to "Identify and implement one initiative to promote the SA NQF"  Because of the lockdown, there was limited opportunity to participate in online events to promote the SA NQF



International Liaison Team

## 6. International Liaison

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Outputs/ Output indicators / Annual Targets
	Sharing of national and international trends and best practices with stakeholders	28. Informed stakeholders			Identify and implement two initiatives to share national and international best practice with stakeholders	<p>Exceeded target</p> <p>Developed a paper “Case Study of Flexible Learning Pathways in South Africa”, for inclusion in UNESCO’s book on flexible learning pathways</p> <p>The paper is entitled “ National Qualifications Framework (NQF) Policy Framework for Flexible Learning Pathways (FLPs) in Post-School Education and Training (PSET) in South Africa”</p> <p>Produced a paper on foreign school leaving qualifications in SADC and distributed it to the NQF Family through the CEO Committee</p> <p>SAQA hosted four webinars to inform stakeholders about the NQF</p>	N/A	N/A	N/A
	Implementation of Addis Convention	29. Recognition of international studies			Develop a plan to implement the Addis Convention	<p>Achieved</p> <p>Developed a plan for SAQA to implement the Addis Convention</p>	N/A	N/A	N/A



## Re-Tabled APP 2020/21

### Programme 6

6. International Liaison								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda	National and international promotion of the SA NQF	27. Prominent national, regional, and global standing			Identify and implement one initiative to promote the SA NQF	SAQA participated in the UNESCO Flexible Learning Pathways project	N/A	N/A

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

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

Its five-year focus is on:

- Growing its national, regional, and global standing;
- Having well-informed stakeholders; and
- Implementing the Addis Convention.
- Programme 6 contributes to one of the five Outcomes, namely:
- We have visionary and influential leadership that drives a clear, evidence-based NQF Agenda

#### Comment on deviations

SAQA amended the annual target to identify and implement two initiatives to promote the SA NQF from two initiatives to one. Uncertainty as to when travel restrictions, due to Covid-19, will be lifted, and the fact that many international events have been postponed, influenced this decision.

## SUMMARY OF FINANCIAL INFORMATION

Linking performance with budgets

### Programme expenditure

Programme and Sub-Programme Name	2020/21			2019/20		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration & Support						
1.1 Executive Office	10 309	9 882	427	11 640	10 806	834
1.2 Finance & Administration	20 602	31 209	(10 607)	20 556	22 115	(1 559)
1.3 Human Resources	4 702	4 127	575	5 575	5 199	376
1.4 Information Technology	12 813	10 681	2 132	16 382	11 143	5 239
1.5 Advocacy & Communication Support	9 535	9 688	(153)	12 568	10 734	1 834
2. Directorate Recognition and Registration	8 942	8 255	687	12 027	14 043	(2 016)
3. National Learners' Records Database including Verifications Project	16 880	16 149	731	19 118	17 890	1 228
4. Directorate Foreign Qualifications Evaluation and Advisory Services (DFQEAS)	30 759	31 404	(645)	30 867	31 043	(176)
5. Research	4 095	3 993	102	4 491	4 123	368
6. International Liaison	2 642	2 499	143	2 616	2 597	19
Total	121 279	127 887	(6 608)	135 840	129 693	6 147



## Revenue collection

Sources of revenue	2020/21			2019/20		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	72 519	72 519	-	69 893	69 893	-
University Qualification Registration National Collaboration Project			-		5 737	(5 737)
Evaluation Fees - DFQEAS	30 000	32 564	(2 564)	49 020	39 695	9 325
Verifications Fee income	9 500	10 558	(1 058)	16 122	11 385	4 737
Professional Bodies fees	1 800	2 421	(621)	3 000	2 534	466
Interest Received	1 200	1 021	179	1 800	2 096	(296)
Rental Income		33	(33)	882	856	26
Sundry Income	700	1 392	(692)	2 150	1 513	637
Reversal of provision of credit loss		217	(217)		428	(428)
Compensation from insurance		20	(20)			
Gain on foreign exchange			-		33	(33)
Total	115 719	120 745	(5 026)	142 867	134 170	8 697

## Capital investment

Capital Expenditure	2020/21			2019/20		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Land and Buildings	1 000	265	735	3 000	491	2 509
IT Equipment	2 200	475	1 725	3 525	2 779	746
Motor Vehicles						-
Furniture and Fixtures	100		100	500	458	42
Intangible Assets		1 290	(1 290)		3 042	(3 042)
Total	3 300	2 030	1 270	7 025	6 770	255





# PART C:

## Governance

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# **ANNUAL**

INTEGRATED REPORT

# **2020/21**

# INTRODUCTION

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

## PORTFOLIO COMMITTEE

In the period under review SAQA made several presentations to the Portfolio Committee. In May 2020, SAQA presented its Strategic Plan 2020/25 and Annual Performance Plan 2020/21, over two meetings. The Committee raised concerns over the impact of Covid-19 on SAQA's revenue and expenditure budgets and APP deliverables.

In November 2020, SAQA presented its Annual Integrated Report 2019/20 to the Portfolio Committee on Higher Education, Science and Technology. SAQA was applauded for a clean audit and for its good governance. The Committee raised concerns about SAQA's financial position. DHET was asked to make a submission for an injection of funds for SAQA to the Appropriations Committee

# EXECUTIVE AUTHORITY

The Executive Authority of SAQA is the Minister of Higher Education, Science, and Innovation. SAQA provided quarterly reports to the Minister on its progress made towards achieving the targets outlined in its APP for 2020/21. SAQA also reported progress on implementing the Ministerial Guidelines and provided a report on the System of Collaboration. Cases of misrepresented qualification achievements, which had been uncovered during the verification of national and foreign qualifications, were reported to the Minister every two months.

## Board composition

SAQA is governed by a Board appointed by the Minister of Higher Education and Training (now Higher Education, Science and Innovation), in accordance with section 14(3)(a) of the NQF Act. The sixth Board, appointed in February 2016, completed its five-year term on 31 December 2020. The sixth Board comprised 16 members, of which:

- Twelve members were appointed in their individual capacities
- At least two of the 12 members represented organised labour
- The remaining four members were the CEOs of SAQA and the three QCs, who are appointed to the Board by virtue of their positions

The Chairperson of the sixth SAQA Board was Dr Vuyelwa Toni-Penxa, and the Deputy Chairperson was Prof Sarah Howie. With the exception of the CEO, all Board members serve in a non-executive capacity.

The sixth SAQA Board ended its term of office on 31 December 2020. The Minister of Higher Education, Science and Innovation appointed the seventh SAQA Board, on 1 January 2021.

Sixth SAQA Board members (as of 31 December 2020)



**Dr Vuyelwa Toni-Penxa:**  
Board Chairperson



**Mr Gordon Louw**



**Prof Talvin Schultz**



**Mr Bonisile Gantile**



**Mr Ashley Benjamin**



**Prof Sarah Howie:**  
Board Deputy Chairperson



**Ms Anne Oberholzer**



**Ms Nadia Starr**



**Dr Mafu Rakometsi**



**Dr Julie Reddy:**  
Acting CEO



**Ms Fundisile Nzimande**



**Dr Shamrita Bhikha**



**Mr Vijayen Naidoo**



The following members of the Board had no pictures available: Ms Selaelo Lekoloane and Dr Amani Saidi (Acting CHE CEO)  
**<sup>1</sup>Seventh SAQA Board members (from 1 January 2021)**



**Prof Peliwe Lolwana:**  
Board Chairperson



**Ms Joanne C Agulhas**



**Dr Whitfield Green**



**Dr Thabo S Mashongoane**



**Ms Anne Oberholzer**



**Ms Nadia Starr:**  
Deputy Chairperson



**Mr Ashley Benjamin**



**Mr Gordon Louw**



**Dr Linda Meyer**



**Dr Mafu Rakometsi**



**Dr Julie Reddy:**  
Acting CEO



**Mr Bonisile Gantile**



**Mr Mark Mamello Mafisa**



**Mr Vijayan Naidoo**



**Ms Trudi Van Wyk**

<sup>1</sup> The Minister is yet to appoint the last member of the 7<sup>th</sup> Board.

## 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 and Training 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
- Is responsible for conducting or commissioning 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 understanding the new NQF architecture and the implications of the changes for them.

In addition to the responsibilities set out in the NQF Act, 2008 as amended, the Board also fulfils the role of the Accounting Authority in terms of 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
- SAQA operates as an ethical organisation

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

## Activities of the Board and its committees

During the year under review, the sixth SAQA Board met four times to conduct its work and to attend to its strategic planning responsibilities. Section 16(1) of the NQF Act allows the Board to establish committees to assist execution of its responsibilities. The table below reflects the structure of committees utilised by the sixth SAQA Board.



## Sixth Board Committee Structure

Name of Committee	Chairperson
Advocacy and Communication Committee	Dr J Reddy <sup>2</sup>
Audit and Risk Committee	Mr L Koyana
Executive Committee (Exco)	Dr V Toni-Penxa
Finance Committee	Dr V Toni-Penxa
Foreign Qualifications Appeals Committee	Ms AK Oberholzer <sup>3</sup>
Information and Information Technology (I & IT) Committee	Ms F Nzimande
Professional Body Appeals Committee	Ms N Starr
Qualifications and Standards (Q&S) Committee	Ms N Starr
Remuneration and Human Resources Committee (REMCO)	Prof SJ Howie
Research Committee	Prof TG Schultz
Verification and Comparison of Qualifications (VC Q) Committee	Ms AK Oberholzer <sup>4</sup>

The seventh SAQA Board was appointed on 1 January 2021 and used the following committee structures<sup>5</sup>:

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

<sup>2</sup> Dr Julie Reddy replaced Mr Joe Samuels as the Chairperson.

<sup>3</sup> Ms Anne Oberholzer replaced Prof Jerry O. Kuye as the Chairperson.

<sup>4</sup> Ms Anne Oberholzer replaced Prof Jerry O. Kuye as the Chairperson.

<sup>5</sup> The Board saw fit not to constitute the following committees: REMCO, Finance, Verification and Comparison of Qualifications, Research and Advocacy, Communication & Support. The work of REMCO has been absorbed into the work of EXCO, and the Finance Committee responsibilities were split between the Audit & Risk Committee and EXCO. The other 3 committees will be re-imagined within SAQA's ongoing engagements with stakeholders.

In accordance with section 16(2) of the NQF Act, persons who are not members of the Board are 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 the approved Terms of Reference as described in SAQA's Governance Manual. Apart from the members, the Deputy CEO and relevant directors also attended meetings of the Board and its committees.

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



## Composition of Board

### 6<sup>th</sup> SAQA Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Dr Vuyelwa Toni-Penxa	Chairperson	01 January 2016	31 December 2020	a) Bachelor of Science degree from Walter Sisulu University b) Post Graduate Diploma in Education from Walter Sisulu University c) Bachelor of Education (in Educational Management and Administration) degree from Walter Sisulu University d) Master of Science (in Science Education) degree from University of the Witwatersrand e) PhD in Public Affairs from the University of Pretoria	Education Specialist	South African Qualifications Authority (SAQA) • Board - Deputy Chairperson • EXCO and Remuneration Committee – Member • Qualifications and Standards Committee – Member • Research Committee – Member  Red Meat Industry Trust: • Red Meat Research and Development – Member	6 <sup>th</sup> Board Committees: EXCO REMCO Q&S Research Finance  DTI: Special Development Zones • Ministerial Advisory Board Member	14
						MINTEK • Board Non-Exec Director • Human Resources Committee – Member  DA VINCI INSTITUTE • Council Member		



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Prof Sarah Howie	Deputy Chairperson	01 January 2016	31 December 2020	a) BA from the University of Stellenbosch b) BA Hons from University of Cape Town c) MEd from University of the Witwatersrand d) Doctorate in Philosophy (Education) from the University of Twente, Enschede.	Education Specialist	<ul style="list-style-type: none"> <li>Chair of Board of Trustees of Coronation Foundation (2019-present)</li> <li>Deputy-Chair of Board of South African Qualifications Authority (SAQA)</li> <li>Vice-Chair: Association for the Study of Evaluation and Assessment in Education in Southern Africa (ASEASA) (2011-2013).</li> <li>Board member of South African Monitoring and Evaluation Association (2007)</li> <li>Member of National Board for PROTEC 2001-present</li> </ul>	6 <sup>th</sup> Board Committees: Research Q&S  Member of Universities of South Africa (USAf) Admissions and Matriculation Board Committee 2014-present  Member of National Assessment and Standards Committee for Umalusi 2014-present	17
Dr Julie Reddy	Acting: CEO	01 January 2016		a) MSc as a Fulbright Scholar b) PhD from Cornell University	Education Specialist	<ul style="list-style-type: none"> <li>SAQA Board Member</li> </ul>	6 <sup>th</sup> Board Committees: I&IT Advocacy and Communication Foreign Qualifications Research EXCO Finance	17

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Mr Gordon Louw		01 January 2016		a) Part N5 Electrical Engineering from the Northern Cape Technical College	Labour Union Specialist	<ul style="list-style-type: none"> <li>Eskom and Allied Industries Training Board (EAITB) on behalf of NUM;</li> <li>The Mining Industries Engineering Trades Training Board (MIETTB – now incorporated into the MQA) on behalf of NUM</li> <li>National Training Board (NTB – now the National Skills Authority – NSA) on behalf of COSATU</li> <li>ESETA Chairman of the Board</li> </ul>	6 <sup>th</sup> Board Committees: Advocacy and Communication	8
Ms Anne Oberholzer		01 January 2016		a) Master of Education from the University of Natal.	Education Specialist	6 <sup>th</sup> Board member	6 <sup>th</sup> Board Committee: Chairperson of Foreign Qualifications & National and Foreign Qualifications Appeals Committee	11
Ms Fundisile Nzimande		01 January 2016		a) Bachelor of Arts degree from the University of Natal. b) Post Graduate Diploma in Higher Education from the University of Natal.	Education Specialist	<ul style="list-style-type: none"> <li>SAQA Board Member</li> </ul>	6 <sup>th</sup> Board Committees: EXCO REMCO Audit I&IT (Chairperson)	15
Prof Talvin Schultz		01 January 2016		a) Master of Science degree from the University of Western Cape b) Doctor of Philosophy (Mathematics) degree from the University of Stellenbosch.	Education and Science specialist	<ul style="list-style-type: none"> <li>SAQA Board Member</li> </ul>	6 <sup>th</sup> Board Committees: EXCO REMCO Research (Chairperson) Finance Q&S	22



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Ms Nadia Starr		01 January 2016		a) Bachelor of Social Sciences from University of Cape Town b) Bachelor of Social Sciences Honours from the University of Cape Town c) Masters of Education degree from the University of the Witwatersrand	Education Specialist	<ul style="list-style-type: none"> <li>Board Member of SAQA</li> </ul>	6th Board Committees: EXCO REMCO Q&S (Chairperson) Professional Bodies Appeals  Working Group Member for review of the Financial Sector Codes (sector- specific codes against BBBEE Codes)	14
Dr Shamrita Bhikha		01 January 2016	31 December 2020	a) PhD in Education Policy Studies from the University of Pretoria	Education Policy Studies Specialist	<ul style="list-style-type: none"> <li>Member of Board of Trustees of Centre for the Advancement of Mathematics, Science and Technology Education (CASME)</li> </ul>	6th Board Committees: Professional Bodies Appeals Q&S	14

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Mr Ashley Benjamin		26 July 2019	31 December 2020	<ul style="list-style-type: none"> <li>a) Labour Law Certificate from University of the Western Cape</li> <li>b) Management Development Programme from University of the Western Cape</li> <li>c) Certification Programme in Managing the Employment Processes from University of South Africa</li> <li>d) Programme in Human Resource Management University of South Africa</li> </ul>	Management Development Specialist	<ul style="list-style-type: none"> <li>• Director of Nilaflex Pty Ltd wholly owned company of the Labour Job Creation Trust</li> <li>• Director on the Board of Proudly South Africa (PSA) Period: 2013 to current</li> <li>• Board Member of the National Skills Authority (NSA) Period: August 2017 to current</li> <li>• SAQA Board Member</li> </ul>	6 <sup>th</sup> & 7 <sup>th</sup> Board Committee Audit and Risk  <ul style="list-style-type: none"> <li>• Management Committee Delegate of the Leather Industry Bargaining Council of South Africa :Period: 2006 to current</li> </ul>	8
Prof Narend Baijnath		01 January 2016	30 September 2020	<ul style="list-style-type: none"> <li>a) Master's Degree from Durham University</li> <li>b) D Phil from the University of the Western Cape</li> </ul>	Education Specialist	<ul style="list-style-type: none"> <li>• Served on editorial boards of several local and international journals.</li> <li>• SAQA Board member</li> </ul>	6 <sup>th</sup> Board	2
Mr Bonisile Gantile		01 January 2016		<ul style="list-style-type: none"> <li>a) Bachelor of Commerce degree from the University of South Africa</li> <li>b) Master of Science degree from the Da Vinci Institute for Technology Management.</li> </ul>	Education Specialist	<ul style="list-style-type: none"> <li>• Active Board and EXCO member of the Southern African Society for Cooperative Education (SASCE)</li> <li>• Served as an active non-executive Board member and Audit Committee member of the MICT SETA (formerly ISETT) for four years.</li> </ul>	6 <sup>th</sup> Board Committees: I&IT VCQ	7



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Ms Selaelo Lekoloane		21 April 2020	31 December 2020	a) B.A. English, Education and Northern Sotho (Sepedi) from University of Limpopo b) B.A Hons English Language Teaching from University of Limpopo c) B.Ed Curriculum Studies from University of the Witwatersrand d) M.Ed Educational Linguistics from University of Johannesburg e) M. Dev Leadership and Development Principles from Turfloop School of Leadership - University of Limpopo	Education Specialist	<ul style="list-style-type: none"> <li>SAQA Board member</li> </ul>	6 <sup>th</sup> Board Committees: VCQ	6
Dr Mafu Rakometsi		01 January 2016		a) Bachelor of Arts from University of the North b) Bachelor of Arts Honours (History) from University of the North c) Master of Arts (History) from the University of Natal-Pietermaritzburg d) Management Development Programme from University of the Free State e) Doctor of Philosophy (PhD) from University of the Free State	Basic Education specialist	<ul style="list-style-type: none"> <li>SAQA Board Member</li> <li>Members of the Councils of the 3 QCs</li> </ul>	6 <sup>th</sup> Board	5
Mr Vijayen Naidoo		01 January 2016				Member of the SAQA Board and the Councils of the 3 QCs	6 <sup>th</sup> Board	5

## Seventh Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Prof. P Lolwana (Chairperson)	Chairperson	01 January 2021		a) Ph.D. (Psychology) from the University of Massachusetts, Amherst, USA b) MA. (Psychology) from the University of Massachusetts Amherst, USA c) B.A. Hons. (Psychology) from the University of Transkei, South Africa d) Senior Secondary Teacher's Certificate from Lovedale Teacher's College, South Africa	Psychology Education Specialist	<ul style="list-style-type: none"> <li>• Chaired the Quality Council for Trades and Occupations (2011- 2020)</li> <li>• Chaired the East Cape Midlands Technical and Vocational College (2013 – to date)</li> <li>• Council member at Tshwane University of Technology (2020- to date)</li> <li>• Member of the PILO (Improving Learning Outcomes) Board (2020 – to date)</li> <li>• Member of Hotazel Manganese Mines Education Trust (2014 – to date)</li> <li>• Member of the Conservation South Africa Board (2017 – to date)</li> <li>• Appointed SAQA Board Chairperson</li> </ul>	7 <sup>th</sup> Board Executive Committee	4





Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Ms JC Agulhas		01 January 2021		a) Bachelor of Commerce from Rhodes University b) Higher Diploma in Education from Rhodes University	Education Specialist	<ul style="list-style-type: none"> <li>Member of Management Board of SETA for Finance, Accounting, Management Consulting and other Financial Services (FASSET)</li> <li>Chair of Skills Planning Working Committee of FASSET</li> <li>Member of Public Finance and Accounting Advisory Committee of the Tshwane University of Technology (TUT) in Pretoria</li> <li>Member of The Standing Committee on Education and Training of The Institute for Municipal Finance Officers (IMFO)</li> <li>Appointed SAQA Board Member</li> </ul>	7 <sup>th</sup> Board Executive Committee Professional Bodies	5

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Mr A Benjamin		Re-appointed 01 January 2021		<ul style="list-style-type: none"> <li>a) Labour Law Certificate from University of the Western Cape</li> <li>b) Management Development Programme from University of the Western Cape</li> <li>c) Certification Programme in Managing the Employment Process from University of South Africa</li> <li>d) Programme in Human Resource Management University of South Africa</li> </ul>	Management Development Specialist	<ul style="list-style-type: none"> <li>• Management Committee Delegate of the Leather Industry Bargaining Council of South Africa :Period: 2006 to current</li> <li>• Director of Nilaflex Pty Ltd wholly owned company of the Labour Job Creation Trust</li> <li>• Period: 2009 to current</li> <li>• Director on the Board of Proudly South Africa (PSA) Period: 2013 to current</li> <li>• Board Member of the National Skills Authority (NSA) Period: August 2017 to current</li> <li>• Re-appointed SAQA Board Member</li> </ul>	7 <sup>th</sup> Board Audit and Risk	3
Mr B Gantile		Re-appointed 01 January 2021		<ul style="list-style-type: none"> <li>a) Bachelor of Commerce degree from the University of South Africa</li> <li>b) Master of Science degree from the Da Vinci Institute for Technology Management.</li> </ul>	Education Specialist	<ul style="list-style-type: none"> <li>• Active Board and EXCO member of the Southern African Society for Cooperative Education (SASCE)</li> <li>• Re-appointed SAQA Board Member</li> </ul>	7 <sup>th</sup> Board Professional Bodies National and Foreign Qualifications Appeals	5



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Dr W Green replaced Prof Narend Baijnath		01 January 2021		a) Higher Diploma in Education from the University of Natal/KwaZulu- Natal b) Bachelor of Science from the University of Natal/KwaZulu- Natal c) Bachelor of Education Honours from the University of Natal/KwaZulu- Natal d) Master of Education from from the University of Natal/KwaZulu- Natal e) PhD from the University of Stellenbosch	Education Specialist	<ul style="list-style-type: none"> <li>Appointed SAQA Board Member</li> <li>Member of Councils of the 3 QCs</li> </ul>	7 <sup>th</sup> Board	2

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Mr G C Louw		Re- appointed 01 January 2021		a) Part N5 Electrical Engineering from the Northern Cape Technical College	Labour Union Specialist	<ul style="list-style-type: none"> <li>Eskom and Allied Industries Training Board (EAITB) on behalf of NUM;</li> <li>The Mining Industries Engineering Trades Training Board (MIETTB – now incorporated into the MQA) on behalf of NUM</li> <li>National Training Board (NTB – now the National Skills Authority – NSA) on behalf of COSATU</li> <li>ESETA Chairman of the Board</li> <li>Quality Assurance Committee Member</li> <li>Accreditation Sub-Committee Re-Appointed SAQA Board Member</li> </ul>	7 <sup>th</sup> Board NQF Qualifications Professional Bodies Appeals	4



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Mr MM Mafisa		01 January 2021		a) BSc Computer Science degree from University of Cape Town b) PDBA from GIBS c) Leadership Development and MBA from Wits Business School.	Information Technology Specialist	<ul style="list-style-type: none"> <li>University Research Committee, University of Witwatersrand, 2017-Date</li> <li>Transformation and Employment Equity Committee, University of Witwatersrand, 2017- Date</li> <li>eResearch Committee, University of Witwatersrand ,2018 –Date</li> <li>Appointed SAQA Board Member</li> </ul>	7 <sup>th</sup> Board Executive Committee Information and Information Technology	4
Dr TS Mashongoane		01 January 2021		He holds diploma certificates, higher diploma, degrees, masters and doctoral degree in qualifications ranging from educational management, human resources, business management, business administration, teaching and technical fields. His latest qualification is a post-graduate diploma in monitoring and evaluation.	Education Specialist	<ul style="list-style-type: none"> <li>Quality Council for Occupations and Trades (QCTO) Council, Southern African Society for Cooperative Education (SASCE), the Public Service Trainers' Forum (PSTF) and other councils</li> <li>Appointed SAQA Board Member</li> </ul>	7 <sup>th</sup> Board	1

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Dr L Meyer		01 January 2021		Doctor of Philosophy (SA), Doctor of Business Administration (USA), Masters of Business Administration (UK), Post Graduate Diploma in Management Studies (UK), Bachelor of Business Administration and a range of 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	<ul style="list-style-type: none"> <li>Strategic Management</li> <li>Operations &amp; Project Management</li> <li>Talent Management</li> <li>Business Analysis, Design &amp; Improvements</li> <li>Negotiation &amp; Mediation</li> <li>Higher Education management</li> <li>Communication, presentation &amp; facilitation skills</li> <li>Financial &amp; Risk Management</li> <li>Organisational transformation &amp; change management</li> <li>Performance monitoring &amp; evaluation</li> <li>Governance &amp; enterprise risk management</li> </ul>	<ul style="list-style-type: none"> <li>Appointed to the Board of the South African Qualifications Authority (SAQA) – 2021 – 2025.</li> <li>Appointed board member of the Higher Education &amp; Training Chamber of the ETDP SETA – 2020-2023.</li> <li>Pension Fund Trustee, NGO Board Member and Chief Negotiator in the Transnet Bargaining Council (Aviation Sector).</li> <li>Member of various boards and board standing sub-committees, including HRM, Finance, Audit &amp; Risk, ISM, Bid Adjudication and Strategy Committees.</li> </ul>	7 <sup>th</sup> Board Audit and Risk Information and Information Technology  Appointed to the Department of Justice & Constitutional Development Audit & Risk Committee in 2020.	3
Mr V Naidoo		01 January 2021				<ul style="list-style-type: none"> <li>SAQA Board Member</li> <li>Member of Councils of 3 QCs</li> </ul>	7 <sup>th</sup> Board	2
Ms A K Oberholzer		Re- appointed 01 January 2021		Ms Oberholzer obtained a Master of Education from the University of Natal.	Education Specialist	<ul style="list-style-type: none"> <li>Re-appointed SAQA Board Member</li> </ul>	7 <sup>th</sup> Board National and Foreign Qualifications Appeals	4



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Ms Trudi van Wyk		01 January 2021		<ul style="list-style-type: none"> <li>BSc degree in Mathematics and Chemistry</li> <li>BEd in Clinical Pedagogy/ Psychology of Education</li> <li>MEd in Educational Management</li> <li>Post Graduate Higher Education Diploma with specialisation in Remedial Education/ Special Needs Education</li> <li>Further Diploma in Education in Technical Subjects: Civil Engineering</li> <li>Presidential Strategic Leadership Development Programme (NQF Level 7)</li> </ul>	Education and Training Specialist	<ul style="list-style-type: none"> <li>Appointed as SAQA and QCTO Board Member</li> </ul>	7 <sup>th</sup> Board Information and Information Technology  Chairperson of the Intergovernmental Meeting of Experts on the Draft Recommendation concerning Open Educational Resources (OER)	3



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Dr M Rakometsi		01 January 2021		<ul style="list-style-type: none"> <li>a) Bachelor of Arts from University of the North</li> <li>b) Bachelor of Arts Honours (History) from University of the North</li> <li>c) Master of Arts (History) from the University of Natal-Pietermaritzburg</li> <li>d) Management Development Programme from University of the Free State</li> <li>e) Doctor of Philosophy (PhD) from University of the Free State</li> </ul>	Basic Education Specialist	<ul style="list-style-type: none"> <li>• SAQA Board Member</li> <li>• Member of QC Councils</li> </ul>	7 <sup>th</sup> Board	2
Dr Julie Reddy (CEO)		01 January 2021		Dr Reddy's academic qualifications include both an MSc as a Fulbright Scholar and a PhD from Cornell University in the USA.	Education Specialist	<ul style="list-style-type: none"> <li>• SAQA Board Member</li> <li>• Member of QC Councils</li> </ul>	7 <sup>th</sup> Board Executive Committee NQF Qualifications Professional Bodies Audit and Risk Information and Information Technology Professional Bodies Appeals National and Foreign Qualifications Appeals	8



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or TaskTeams (e.g: Audit committee /Ministerial task team)	No. of Meetings attended
Ms N Starr		Re- appointed 01 January 2021		a) Master of Education from the University of the Witwatersrand b) Bachelor of Social Sciences (Honours) from University of Cape Town c) Bachelor of Social Sciences from University of Cape Town	Education Specialist	<ul style="list-style-type: none"> <li>Board Member of SAQA</li> </ul>	7 <sup>th</sup> Board Executive Committee NQF Qualifications (Chairperson) Professional Bodies Appeals  Working Group Member for review of the Financial Sector Codes (sector specific-codes against BBBEE Codes)	6



6<sup>th</sup> Board Chairperson with the Minister: Higher Education, Science and Innovation



Board members with the Deputy Minister: Higher Education, Science and Innovation

## Board and Board Committees Attendance

### 6<sup>th</sup> SAQA Board Attendance

Title	Surname	Initials	Q & S	I & IT	Advocacy and Communication	Verifications and Comparison of Qualifications	Research	Remco	Finance	Audit and Risk	Exco	Board	Board Strat Plan	Appeals
Prof	Baijnath	N										1/3		
Mr	Benjamin	A								3/3		3/3		
Dr	Bhikha	SD	8/8									3/3		
Mr	Gantile	BM		2/2		2/3						2/3		
Prof	Howie	SJ	5/8				2/2	3/3			3/3	2/3		
Ms	Lekoloane	S				2/3						2/3		
Mr	Louw	GC			3/3							3/3		
Mr	Naidoo	V										2/3		
Ms	Nzimande	PLF		2/2				3/3		2/3	3/3	3/3		
Ms	Oberholzer	AK				3/3		2/3			2/3	3/3		
Dr	Rakometsi	M										3/3		
Dr	Reddy	J	2/8	1/2	1/3	2/3	2/2	3/3	3/3	3/3	3/3	3/3		
Prof	Schultz	TG	6/8				2/2	3/3	3/3		3/3	3/3		
Ms	Starr	N	5/8					3/3			3/3	3/3		
Dr	Toni Penxa	V					-	3/3	3/3		3/3	3/3		

### 7<sup>th</sup> SAQA Board Attendance

Title	Surname	Initials	NQF Qualifications	Professional Bodies	I & IT	Professional Bodies Appeals	National and Foreign Qualifications Appeals	Remco	Audit and Risk	Exco	Board	Board Strat Plan
Ms	Agulhas	J		1/1						1/1	2/2	1/1
Mr	Benjamin	A							1/1		2/2	1/1
Mr	Gantile	BM		1/1	0/0		1/1				2/2	1/1
Dr	Green	W									1/2	1/1
Prof	Lolwana	P								1/1	2/2	1/1
Mr	Louw	GC	1/1								2/2	1/1



Title	Surname	Initials	NQF Qualifications	Professional Bodies	I & IT	Professional Bodies Appeals	National and Foreign Qualifications Appeals	Remco	Audit and Risk	Exco	Board	Board Strat Plan
Mr	Mafisa	M								1/1	2/2	1/1
Dr	Mashongoane	T		0/1							1/2	0/1
Dr	Meyer	L							1/1		2/2	0/1
Mr	Naidoo	V									1/2	1/1
Ms	Oberholzer	AK					1/1				2/2	1/1
Dr	Rakometsi	M									1/2	1/1
Dr	Reddy	J	1/1	1/1	0/0		1/1		1/1	1/1	2/2	1/1
Ms	Starr	N	1/1							1/1	2/2	1/1
Ms	Van Wyk	T									2/2	1/1

### SAQA Committees and Attendance

The table below provides a list of each of the committees, the roles and responsibilities of these committees, and the number of meetings held during the year.

Committee	No of meetings held	No of members	Name of members	Roles and Responsibilities
<b>6<sup>th</sup> Board</b>				
<b>Audit Committee</b>	3	6	Dr J. Pretorius	Directors are responsible for listing and updating the risks within their directorates at the beginning of every quarter.
			Mr A. Benjamin	
			Mr N. Johnstone	
			Mr L. Koyana	
			Prof M.P. Nepfumbada	
			Ms PLF Nzimande	

Committee	No of meetings held	No of members	Name of members	Roles and Responsibilities
7 <sup>th</sup> Board				
Audit Committee	1	7	Ms T. Mkhize	Directors are responsible for listing and updating the risks within their directorates at the beginning of every quarter.
			Mr A. Benjamin	
			Dr L. Meyer	
			Mr L. Koyana	
			Mr Z. Mheyamwa	
			Mr O. Mokgoantle	
			Mr S. Maharaj	
6 <sup>th</sup> Board				
Remuneration Committee	3	6	Ms N. Starr	The committee has the following roles and responsibilities: i. Review Human Resource Policies (including the Employment Equity Plan), and make recommendations to the Executive Committee and the Board; ii. Consider SAQA's Remuneration Philosophy and Policy, and make recommendations to the Executive Committee and the Board; iii. Review the conditions of service for all employees and the impact of being a fair employer who provides a decent, stable, and sustainable employment opportunity, and make recommendations to the Executive Committee and the Board; iv. Review and implement the succession plan for the senior management cadre, and make recommendations to the Executive Committee and the Board; v. Participate in selection panels and make recommendations to the Board on the appointment, remuneration and conditions of service of the Chief Executive Officer; vi. Perform the appraisal of the Chief Executive Officer; vii. Participate in selection panels and appoint the Deputy Chief Executive Officer; viii. Review the outcome of the appraisal and remuneration of the Deputy Chief Executive Officer; and ix. Approve the appointment of the Finance Director (CFO) that is recommended by the CEO.
			Prof S. Howie	
			Ms PLF. Nzimande	
			Ms A. Oberholzer	
			Dr V. Toni Penxa	
			Prof T. Schultz	



# 6<sup>th</sup> Board Committees attendance

Title	Surname	Initials	Qualifications and Standards	I & IT	Advocacy and Communication	Verification and Comparison of Qualifications	Research	Finance	Audit and Risk	Appeals	Board
Mr	Baleni	Z					2/2				
Ms	Buchler	M					2/2				
Dr	Chinje	N			1/3						
Dr	Clayton	PG		2/2							
Mr	du Toit	B						0/3			
Ms	Fordyce	A			0/3						
Mr	Johnstone	N							3/3		
Mr	Hall	K	6/8								
Mr	Koyana	L							3/3		1/3
Dr	Mahlathi	P					1/2				
Ms	Maifadi	M				1/3					
Mr	Makhaga	NH				2/3					
Mr	Mheyamwa	Z						2/3			
Mr	Moloisane	J				3/3					
Mr	Moonsamy	S						2/3			
Ms	Müller	CS	8/8								
Prof	Nepfumbada	MP							3/3		
Dr	Nkonki	VJJ					1/2				
Mr	Oosthuizen	MJ		2/2							
Prof	Pendlebury	S					2/2				
Dr	Pretorius	JA		2/2					3/3		
Mr	Ramotse	TP			1/3						
Dr	Samuels	L				3/3					
Ms	Travern	Y				2/3					
Mr	Urban	B						3/3			
Dr	Von Eck	C	8/8								
Prof	Walters	S					2/2				
Mr	Zwane	R	4/8								

## 7<sup>th</sup> Board Committees attendance

Title	Surname	Initials	NQF Qualifications	Professional Bodies	I & IT	Audit and Risk	National and Foreign Appeals	Professional Body Appeals	Board
Ms	Bezuidenhout	L		1/1					
Dr	Bhikha	S	1/1						
Ms	Daya	S							
Mr	Koyana	L				1/1			1/3
Mr	Maharaj	S				1/1			
Mr	Mheyamwa	Z				1/1			
Ms	Mkhize	T				1/1			
Mr	Mokgoantle	O				1/1			
Ms	Müller	CS	1/1						
Ms	Nyaka	F	1/1						
Dr	Von Eck	C		1/1					
Mr	Zwane	R		0/1					

## NOTES FOR 6<sup>th</sup> BOARD COMMITTEES

1. The term of office for all Board Committee members appointed by the 6th Board ended on 31 December 2021.
2. Mr B. du Toit resigned from the Finance Committee on 14 May 2020.
3. Mr M Maleka was removed from the SAQA on 13 September 2020.
4. Prof N Bajjnath resigned from the SAQA Board on 30 September 2020.
5. Ms S.E Lekoloane was appointed to the SAQA Board and the Verification and Comparison of Qualifications Committee on 21 April 2020.

## NOTES FOR 7<sup>th</sup> BOARD COMMITTEES

1. The 7<sup>th</sup> Board Committee members were appointed on 19 March 2021.





Committee	No. of meetings held	No. of members	Name of members
MANAGEMENT RISK COMMITTEE	4	11	Dr H. Bolton
			Ms P Flanagan
			Ms C. Jaftha
			Ms N. Naidoo (Chairperson)
			Mr J. Ntsioa
			Mr J Nel
			Ms C. Oelofsen
			Mr W. Radu
			Ms N. Ravjee
			Dr J. Reddy
			Mr D. Strydom
			Mr P. Mawire (Nexia SAB & T) by invitation



7<sup>th</sup> SAQA Board members (from 1 January 2021)

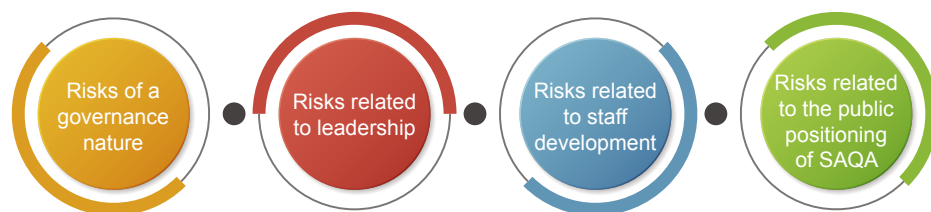
# RISK MANAGEMENT

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.

## Key developments

By actively managing risk mitigation plans and implementing mitigation strategies, SAQA again succeeded in decreasing the risk profile of selected risks and achieved its targets for the year.

SAQA's risk mitigation plans for 2020/21 were categorised as follows:



## Risk Management Plan

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

## Overview of the Risk Management Plan

Step 1: Identify and define	Step 2: Assess and rate	Step 3: Monitor and report
Directorate identifies and defines strategic and operational risks	Risks are rated according to the likelihood of occurring, and impact if they do 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.	The Management Risk Committee, comprising the CEO, Deputy CEO and Directors: reviews 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, and identifying new areas of risk.
	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 Directorate Operational Plans.	The Audit and Risk Committee recommends the Risk Register (Plan) to the Board for approval annually; ensures that risk assessment and management procedures are followed quarterly and are satisfactory, and reports progress to the Board quarterly.
	Directorate risks (irrespective of risk ratings) are collated into the SAQA Risk Plan.	The Combined Assurance Plan lists assurance by third parties and is discussed by the Audit and Risk Committee quarterly.
	Risks rated 16–25 are collated into the Prioritised Risk Register.	



## Major strategic risks

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

### **Governance**

SAQA's budget in the medium term is insufficient to support the planned activities of SAQA. Due to the lockdown, SAQA has not been able to generate any funding for April and May 2020. This has severely hampered SAQA's ability to remain sustainable over the next 12 months. In addition, DHET has cut SAQA's budget by a further R 1.218 million. Due to the lockdown, SAQA has not been able to generate revenue through verification and evaluation services. This has severely hampered SAQA's ability to remain sustainable. The restructure and consequential staff voluntary retrenchments may assist in getting SAQA back on a sustainable path in the medium term. SAQA has also developed a funding strategy to generate income through other service offerings. This plan will begin to be implemented from 1 April 2021.

### **Leadership**

Discussions are underway regarding the value in the SAQA recognition for Professional Bodies. Statutory professional bodies are established under their own Acts and question the value-add of SAQA recognition. A Task Team was established in January 2021 comprising a mix of statutory and non-statutory professional bodies, different sizes of professional bodies, and young and mature professional bodies. The Team has already started developing an appropriate service offering and reaching a consensus on the appropriate fee. Research is currently underway regarding the roles and responsibilities of statutory vs non-statutory professional bodies.

### **Staff development**

The risk of SAQA's ability to deliver on its mandate after voluntary staff retrenchments poses a risk to the implementation of the NQF, to the NQF family, to the education and training sector, and to the public. SAQA's staffing structure

will reduce from 187 positions to 81. It is important to manage this process well. SAQA has implemented a process of interviewing staff for all positions, in the hope of retaining the staff that best fit the new structure. After implementing the new structure in April 2021, SAQA will conduct an M&E process to determine its effectiveness and identify gaps.

### **Public positioning**

Gaps in information on the NLRD lead to the Verifications Project's inability and others to function optimally. One way to mitigate this risk is to regulate data submissions to the NLRD, and provide support to data suppliers with the data submission process. SAQA will consider the various options for making data submissions to the NLRD a requirement (such as Gazetting the data loading requirements).

## INTERNAL AUDIT AND AUDIT COMMITTEES

SAQA does not use an in-house internal audit function due to the nature and size of its staff complement. It outsourced the internal audit function to Nexia-SAB & T, and the audit reports produced were reviewed by the Audit and Risk Committee.

## COMPLIANCE WITH LAWS AND REGULATIONS

SAQA confirmed compliance to the Audit and Risk Committee and the Board in terms of a list of the significant legislation, codes and rules that it must comply with, as well as additional rules, codes, and standards that the Board subscribed to during the 2020/21 financial year. Also, the Auditor-General tested compliance with laws and regulations during its annual audit.

# FRAUD AND CORRUPTION

SAQA maintained its internal policies on fraud prevention and detection, and fraud reporting during the year. These policies make allowance for whistle-blowing and anonymous reporting. The CEO is required to report all cases of fraud and corruption to the Board. One case of fraud was reported during the period. This involved a staff member in the person responsible for payroll who had siphoned approximately forty-nine thousand rand through SAQA's payroll. The individual was immediately suspended, pending a disciplinary hearing. SAQA's Internal Auditor conducted an independent audit and concluded that this was a single case of fraud. The individual pleaded guilty during the hearing, was dismissed, and subsequently paid back the money in full. A case has been opened with the SA Police Services, following the PFMA requirements. SAQA has put measures in place to ensure that this breach does not happen again.

# MINIMISING CONFLICT OF INTEREST

SAQA has a multi-level system of approval for all purchases, removing bias and preventing any manipulation of the system. The Finance Committee approves purchases above R1 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 meeting.

# CODE OF CONDUCT

Good 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 was updated in 2020. 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 in the fourth quarter.

Staff members are required to pledge to uphold the Code of Ethics when they join SAQA. During the year, SAQA continued to actively manage the quality and standards of the service provided by its staff.

# HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Inline with King IV, SAQA will report against the following three principles listed in the United Nations Global Compact.

During the period under review health, safety, and environmental issues were primarily focused managing Covid-19 pandemic. In March 2020, SAQA established a Covid-19 Steering Committee to play an advisory role to SAQA's senior management relating to the implications of Covid-19 on the organisation. The national Lockdown impacted SAQA's ability to generate income. The demand for key services was severely impacted during Lockdown Level 5 and was slow to recover in subsequent lower Lockdown levels. It remains critical for the committee to balance the safety of SAQA staff with the need to generate income, as a result, SAQA developed a Risk-Adjusted Plan to returning to work. One of the measures taken was to ensure that all staff, where the job nature of the job allowed it, were provided with resources to work from home, during Lockdown Level 5. During Lockdown Level 3, a phased approach to result to the office was implemented, beginning with the return of critical staff and key income-generating functions. Strict measures were put in place as a risk-management



tool, including regulations on the capacity of the building, staff screenings and fogging of closure of the SAQA building in the event of a positive test result.

In June 2020, SAQA developed an Internal Communication Strategy on Working in the Time of COVID-19. The purpose of the documents was to raise awareness and understanding of SAQA's response to the COVID-19 pandemic. The Strategy had the following objectives:

- To inform staff about the impact of COVID-19 on business operations;
- To inform staff about SAQA's risk-adjusted plan to resume work;
- To outline the steps SAQA is taking to protect staff; and
- To inform staff about remote working protocols.

In January 2021, SAQA developed a set of Guidelines for Managing Covid-19 Cases. The document addressed the following questions:

- What are SAQA's obligations concerning Covid-19 cases?
- What happens to an employee who has been exposed to a confirmed case of Covid-19?
- What happens if an employee is at work and appears ill or displays symptoms associated with Covid-19?
- What happens to an employee who has been exposed to an unconfirmed case of Covid-19?
- What happens if an employee refuses to report for duty based on the fear of being infected by Covid-19?

Work done by the committee also included discussions on implementing government directives and getting consensus on key Covid-19 matters and their impact of staff and the organisation. Regular internal communication was also provided to staff via email regarding the promotion of the organisation's safety measures and protocols, as well as information on Covid-19 testing and support services available to staff.

## **Undertaking initiatives to promote greater environmental responsibility**

Reporting on SAQA's environmental initiatives and Compliance to the Occupational Health and Safety and other Relevant Regulations is limited to the 1st Quarter. National lockdown measures meant that there is nothing to report in subsequent quarters. SAQA intensified its efforts on greater environmental responsibility through proactive short, medium, and long-term planning. The plans include:

- Implementing green cleaning strategies
- Installation of sub-metering systems for water and energy consumption monitoring
- Conducting annual indoor air quality surveys to ensure carbon levels are within limits
- Conducting an annual occupant satisfaction survey with a target of 80% satisfaction

## **Encouraging the development and diffusion of environmental friendliness**

SAQA encouraged all its service providers, clients, and staff members to make use of the facilities that it provides for the disposal of unwanted goods in an environmentally friendly manner. It also awarded a Green Cleaning Contract which ensured that only green label equipment and products were used. It also completed a pilot project on the installation of water-efficient sanitary fixtures on the ground floor ablution facilities.

## **Occupational health and safety**

The average rate of OHS compliance for the 1st Quarter is 74%. A slight increase to 78% in June 2020 from 72% in April and May 2020 is resulted from the recently revised Policy and Procedure on Occupational Health and Safety amongst others. Most improvement opportunities are infrastructure-related.

The uncertainty arising from the COVID-19 pandemic limits the achievement of targets. Below is a summary of areas that still require attention:

QUANTITATIVE SUMMARY OF COMPLIANCE TO THE OCCUPATIONAL HEALTH & SAFETY & THE RELEVANT REGULATIONS.					
Item No.	Description of SAQA'S compliance to relevant Section/Regulation/standard of OHSA	Compliance Target	Actual Achievement	Score	Indicator
1	Level of Compliance to relevant Sections of the Act.	3	1.90	63%	!
2	The level of Compliance to the General Administration Regulations	3	2.25	75%	✓
3	The level of Compliance to the General Safety Regulations	3	3.00	100%	✓
4	The level of Compliance to the General Environmental Regulations of workplaces	3	2.60	87%	✓
5	The level of Compliance to the Facilities Regulations	3	2.25	75%	✓
6	The level of Compliance to the Electrical Installation Regulations	3	2.00	67%	!

AVERAGE COMPLIANCE TARGET AND ACHIEVEMENT

100%

78%



## SOCIAL RESPONSIBILITY

Every year, SAQA shares its commitment to being a powerful force for social good. In the past, SAQA has collected food and toys for our chosen community organisation Tshwaraganang Children's Home in Hammanskraal, North of Gauteng. This initiative was not able to take place this year because of the national lockdowns due to Covid-19.

## STAKEHOLDER COMMUNICATION











The NQF Act mandates SAQA and its partners to inform the public about the NQF. SAQA uses various channels to raise awareness, understanding and valuing of the NQF, including a multi-platform advisory service, stakeholder engagement, and both mass and digital media. SAQA participates in public awareness campaigns to reach underserved stakeholders living in rural areas. The reach of both new and traditional media like print, online media or television is limited. SAQA also hosts national and international events where SAQA staff interacts directly with various stakeholders and NQF partners.










SAQA had 2 151 015 interactions with stakeholders through social media and SAQA's website. The breakdown per quarter and by platform can be seen below.

**Table \*\*\* Quarterly social media statistics**

Platform		Q1	Q2	Q3	Q4	% change	
Users (average for the quarter)							
	SAQA Website Users	27 602	37 753	36 788	47 952		
	Facebook Likes	16 192	16 847	17 309	17 713		
	Twitter Followers	13 016	11 367	11 567	11 733		
	LinkedIn Contacts	8 166	8 924	9 392	9 668		
	YouTube users	195	224	186	201		
TOTAL USERS		65 171	75 115	75 242	87 267		

Impressions (total for the quarter)							YEAR TO DATE
	SAQA website Page Views	328 290	431 976	387 691	499 692	1 647 649	
	Facebook Reach	52 700	31 482	76 822	24 100	185 104	
	Twitter Impressions	48 600	31 800	66 200	49 800	196 400	
	Linked In	5 398	9 849	35 703	20 912	71 862	
	YouTube Impressions	14 900	15 700	9 900	9 500	50 000	
<b>TOTAL IMPRESSIONS</b>		<b>449 888</b>	<b>520 807</b>	<b>576 316</b>	<b>604 004</b>	<b>2 151 015</b>	

SAQA seeks to advance a world-class National Qualifications Framework (NQF) that works for the people in South Africa. To this end, SAQA serves lifelong learners boldly and works towards a system that removes systemic barriers to access and progression within the education, training, and development sector. In the financial year under review, SAQA Webinars developed and hosted a series of webinars are designed to add value, stimulate debate and set the NQF agenda. The purpose of the SAQA Webinars is to provide relevant information about SAQA and the NQF to stakeholders.



The objectives of the SAQA Webinars are to:

- Host information sharing sessions to promote and inform stakeholders about SAQA and the NQF;
- Provide a platform to encourage intellectual scrutiny to strengthen SAQA and the NQF; and
- Increase the visibility, understanding and appreciation of SAQA and the NQF.

### **Webinar 1: ENGAGING WITH QUALIFICATIONS - 29 OCTOBER 2020**

This webinar, attended by one hundred and twenty stakeholders, aimed to assist recruiters and employers in using the NQF in their recruitment and appointment processes. The two presenters, Ms Faith Nyaka (SAQA Director: Registration and Recognition) and Dr Heidi Bolton (SAQA Director: Research) spoke about the NQF, its history and the NQF levels. They also talked about the link of learning pathways and the recognition of prior learning with recruitment and

appointments. They also discussed the differences between an 8-level NQF and a 10-level NQF and how these should be used in recruitment and appointment processes.

### **Webinar 2: USING THE NQF FOR RECRUITMENT - 5 NOVEMBER 2020**

SAQA hosted its second NQF-wise Recruitment Webinar on 5 November 2020. One hundred and seven stakeholders who had attended this event learned how to frame minimum qualifications requirements using the NQF. In their presentations, Ms Tola Akindolani, (SAQA Deputy Director: National Learners' Records Database), Ms Carina Oelofsen, (SAQA Director: National Learners' Records Database) and Mr Japie Nel, (SAQA Deputy Director: Registration and Recognition) explained the NLRD; how to access its information; and what to do if the required information does not appear on the NLRD.

## **AUDIT AND RISK COMMITTEE REPORT**

### **The Audit and Risk Committee hereby presents its report for the financial year ended 31 March 2021.**

The Committee is pleased with the outcome of the external audit carried out by the Auditor General on SAQA, which saw the organisation achieving another clean audit opinion for the financial year 2020/21 and wishes to congratulate management for such an achievement.

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

### **TERMS OF REFERENCE**

The Committee was first constituted under the 6th Board and operated until December 2020 under approved terms of reference. The 7th SAQA Board

constituted the current Committee in January 2021 and approved its current Terms of Reference. The Committee conducted its affairs in compliance with the Terms of Reference and discharged its responsibilities contained therein. Even though the Committee was only constituted in January 2021, the Committee Chairperson also served as Chairperson of the Audit and Risk Committee under the 6th SAQA Board.

### **ROLE AND RESPONSIBILITIES**

#### **Statutory duties**

The Committee's role and responsibilities include the statutory duties set out in sections 76(4)(d) and 77 of the PMFA 1999 and sections 3.1 and 27.1 of the Treasury Regulations issued in terms of that Act and further responsibilities assigned to it by the Board. The Committee elected to adopt the terms of King IV Code of Corporate Governance.



## External Auditor

In terms of the PFMA, the external auditor is the Auditor-General. The Committee agreed to the Engagement Letter, Audit Plan and budgeted audit fees for the 2020/21 financial year. All Audit findings from the prior year audit were cleared to the satisfaction of the Auditor General. The Auditor-General was not requested to provide any non-audit services.

## Financial statements and accounting policies and practices

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

## Internal financial controls

The Committee oversaw the process by which the Internal Audit function provided a written assessment of the effectiveness of SAQA's system of internal control including internal financial controls and risk management. This written assessment formed the basis for the Committee's recommendation to the Board in order to fulfil its reporting requirements in the Annual Integrated Report. The Board's report on the effectiveness of the system of internal control is on page 14. The Committee fully supports the opinion of the Board in this regard.

## Whistle blowing

The Committee noted that one incident of fraud was reported in the 2020/21 financial year. The incident was investigated, the staff member pleaded guilty and was dismissed, and paid back the money. The internal auditor investigated the matter and provided assurance to the Committee that the internal controls were strengthened to prevent another occurrence of this incident. No concerns or complaints were received relating to the accounting practices and internal audit, the content or auditing of the Financial Statements or any related matters from within or outside SAQA, during the 2020/21 financial year.

## DUTIES ASSIGNED BY THE BOARD

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

## Integrated reporting

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

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

The Committee discussed SAQA's sustainability information with management and was satisfied with the information provided.

According to King IV, the Committee should recommend to the Board the appointment of an external assurance provider on material sustainability issues. The Committee's recommendation to the SAQA Board was not to appoint an external assurance provider. This recommendation is premised on the belief that the relatively straightforward nature and extent of the information did not warrant such an appointment.

## Going concern

The Committee reviewed a documented assessment prepared by management, which included key assumptions, of the going concern status of SAQA and made its recommendation to the Board. The Board's statement on the going concern status of SAQA is set out on page 114.

## Governance of risk

The Board assigned oversight of the risk management function to the Committee. The Committee reviewed the risk management process, the effectiveness of risk management activities, the key risks facing the organisation and responses to address them. The Committee fulfilled its oversight role regarding financial reporting risks, internal financial controls, and fraud and information technology risks as they relate to financial reporting.

## Internal Audit

The Committee ensured that the Internal Audit function was independent and had the necessary resources, standing and authority to enable it to discharge its duties. Furthermore, the Committee oversaw cooperation between the Internal and External Auditors and served as the link between the Board and these functions.

The Committee reviewed and recommended the Internal Audit Charter for Board approval and approved the Annual Audit Plan.

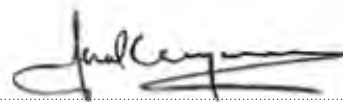
The Internal Audit team reported to the Committee on all functional matters and to the CEO from an administrative point of view.

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

The Committee assessed the performance of the Internal Audit function.

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

The Committee satisfied itself that the previous CFO who resigned in October 2020, and the Acting CFO who took over the function, have appropriate expertise and experience. The Committee satisfied itself with the appropriateness of the expertise, adequacy of resources of the finance function and the experience of the senior members of management responsible for the finance function. The Committee noted the appointment of a new CFO on 1 July 2021.



Mr LM. Koyana

Chairperson of the Audit and Risk Committee

## 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	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	No	Covid-19 lockdown restrictions together with the constrained SAQA funding does not make the improvement of its B-BBEE status possible in this regard.
Developing and implementing a preferential procurement policy?	Yes	See Copy of SAQA Supply Chain Management policy that is in line with the PPPFA.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not the SAQA mandate.
Developing criteria for entering into partnerships with the private sector?	No	None required up to now.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Covid-19 lockdown restrictions together with the constrained SAQA funding does not make the improvement of its B-BBEE status possible in this regard.



# PART D:

## HUMAN RESOURCE MANAGEMENT

INTRODUCTION

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# **ANNUAL**

INTEGRATED REPORT

# **2020/21**

# INTRODUCTION

## 1. Overview of HR matters at the public entity

### 1.1. Set HR priorities for the year under review and the impact of these priorities

#### 1.1.1. Professional staff development

SAQA continued to prioritise professional staff development by sourcing e-learning interventions and conducting internal training sessions for its employees. The following are examples of some of the e-learning interventions were offered by the NSG for 2020/21 that staff attended:

1. Ethics in the Public Service
2. Introduction to Financial Management and Budgeting
3. Introduction to Leading Change
4. Introduction to Strategic Planning and Management
5. Writing for Government

#### 1.1.2. Human resource Information system

SAQA continued to enhance the integrated HR information system to streamline HR processes. People Management and Information & Communications Technology (ICT) Unit are working together to improve the SAQA E-Recruitment system to ensure simplicity.

#### 1.1.3. Staff Induction Programme

SAQA embraces change and reviewed its staff induction programme. For the year, no staff induction took place as posts were frozen. Going forward, staff induction will take place online, with one day of face-to-face interactions.

#### 1.1.4. Internship Programme

Due to staff working remotely for most of the year, SAQA did not take on a new cohort of interns after the last cohort ended their term in January 2021.

### 1.2. Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

The vacancy rate at the end of the year under review was 12.89%, during the year under review. Due to the impact of COVID-19, SAQA placed all vacant positions on moratorium and 13 employment contracts were terminated. Five of the thirteen employment contracts were terminated as a result of voluntary retrenchments.

### 1.3. Employee Wellness Programmes

- Wellness Training Session – Fifteen staff members attended a wellness training session online. This initiative aimed to address the challenge of working remotely.

#### 1.3.1. Core wellness services offered to SAQA staff include the following:

- Twenty-four-hour access to the professional wellness call centre;
- Access to telephonic psychosocial counselling;
- Access to face-to-face psychosocial counselling (up to six sessions per incident);
- Access to psychosocial, financial, legal and health advisory services;
- Health education.

### 1.4. Policy Development

REMCO approved the reviewed Policy and Procedure on Discipline and the Policy on Leave during the year.

## 1.5. Highlights / Achievements

During the 2020/21 financial year, SAQA successfully fulfilled its ongoing and priority functions by achieving the following:

## 2. Human Resources Oversight Statistics

Below SAQA provides the financial related to Human Resources, which are in line with the annual financial statements. The information provided relates to: Personnel Costs; Employment and vacancies; Employment changes; Reasons for staff leaving; Misconduct and Disciplinary Action; Equity Target and Employment Equity Status.

### Personnel Cost by programme/activity/objective

Programme/activity/ objective Programme	Total Expenditure for the entity (R)	Personnel expenditure (R)	Personnel exp. as a % of total exp. %	No. of employees	Average personnel cost per employee (R)
Administration and support	65 587 265	42 676 324	33	47	908 007
Recognition and registration of qualifications and part qualifications	8 254 799	8 169 312	6	11	742 665
National Learner Records Database (NLRD) inc Verifications Project	16 148 478	15 760 165	12	39	404 107
Foreign Qualification Evaluation and Advisory Services	31 404 369	28 594 993	22	63	453 889
Research	3 992 817	3 899 409	3	5	779 882
International Liaison	2 498 872	2 488 360	2	4	622 090
<b>Total</b>	<b>127 886 600</b>	<b>101 588 563</b>	<b>79</b>	<b>169</b>	

### Personnel cost by salary band

Level	Personnel Expenditure (R)	% of personnel exp. to total personnel cost (R)	No. of employees	Average personnel cost per employee (R)
Top Management	1 811 820	2	1	1 811 820
Senior Management	11 609 860	14	7	1 658 551
Professional qualified	15 177 962	18	19	798 840
Skilled	42 149 900	50	90	468 332
Semi-Skilled	13 912 800	16	52	267 554
<b>Total</b>	<b>84 662 342</b>	<b>100</b>	<b>169</b>	





## Training Costs

Programme//activity/ objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
All directors/Business Units	R101 588 563	55 173	0.01	169	326

Employment and vacancies as of 31 March 2021

Programme/activity/objective	2019/20 No. of Employees	2019/20 Approved Posts	2020/21 No. of Employees	2020/21 Vacancies	% of vacancies
Administration and support	54	57	47	10	17.54
Registration and Recognition	13	15	11	4	26.6
NLRD, including Verifications Project	39	44	39	5	11.36
Foreign Qualifications Evaluation and Advisory Services	67	69	63	6	8.70
Research	5	5	5	0	0.00
International liaison	4	4	4	0	0.00
<b>Total</b>	<b>182</b>	<b>194</b>	<b>169</b>	<b>25</b>	<b>12.8</b>

Levels	2019/20 No. of Employees	2019/20 Approved Posts	2020/21 No. of Employees	2020/21 Vacancies	% of vacancies
Top Management	1	2	1	1	50.00
Senior Management	11	11	7	4	36.36
Professional qualified	21	21	19	2	9.52
Skilled	97	103	90	13	12.62
Semi-skilled	52	57	52	5	8.77
<b>Total</b>	<b>182</b>	<b>194</b>	<b>169</b>	<b>25</b>	<b>12.89</b>

SAQA decided to freeze some of the vacant positions and review vacancies as they became vacant. This decision was made in order to embark on an organisational re-design to develop for the purposes of developing structures that are effective and efficient, to meet the SAQA mandate. The recruitment process will be prioritised for key and strategic positions.

## Employment changes

Provide information on changes in employment over the financial year. Turnover rates indicating trends in the employment profile of the public entity.

Salary Band	Employment at the beginning of the period	Appointments	Terminations	Employment at the end of the period
Top Management	1	0	0	1
Senior Management	11	0	5	7
Professional qualified	21	0	0	19
Skilled	97	0	8	90
Semi-skilled	52	0	0	52
Total	182	0	13	169

## Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	6	46.2
Dismissal	2	15.4
Retirement	0	0
Ill health	0	0
Retrenchment	5	38.5
Expiry of contract	0	0
Other	0	0%
<b>Total</b>	<b>13</b>	<b>100.00%</b>

The main reasons for resignations were due to employment offers at higher position levels and salaries. SAQA terminated two employment contract following a disciplinary process. Five employees took voluntary retrenchment packages following Section 189 (3) and 189 (A) of the Labour Relations Act, Act 66 of 1995.



## Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary Action	Number
Verbal Warning	1
Written Warning	1
Final Written warning	0
Dismissal	2
Disciplinary Hearing	2
<b>Total</b>	<b>6</b>

## Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	32%	35.1%	4%	5.3%	0%	1.8%	7%	4.2%
Senior Management	32%	35.1%	4%	5.3%	0%	1.8%	7%	4.2%
Professional qualified	32%	35.1%	4%	5.3%	0%	1.8%	7%	4.2%
Skilled	33%	35.2%	1%	1.3%	1%	1.1%	1%	6.3%
Semi-skilled	33%	35.2%	1%	1.3%	1%	1.1%	1%	6.3%

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	21%	40.8%	7%	4.5%	14%	4%	7%	5.3%
Senior Management	21%	40.8%	7%	4.5%	14%	4%	7%	5.3%
Professional qualified	21%	40.8%	7%	4.5%	14%	4%	7%	5.3%
Skilled	58%	44.8%	1%	1.7%	1%	1.8%	2%	7.9%
Semi-skilled	58%	44.8%	1%	1.7%	1%	1.8%	2%	7.9%

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	1	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	2	0
Semi-skilled	1	0	0	0
Unskilled	0	0	0	0
<b>Total</b>	<b>2</b>	<b>1%</b>	<b>2</b>	<b>1%</b>

SAQA has an organisational disability target of 2%. The target has been achieved. SAQA continues to implement initiatives and other strategies to attract employees with disabilities. In the year under review, SAQA hosted a disability awareness day and made available adequate information on disability, to all employees.

#### Management training session



# PART E:

## FINANCIAL INFORMATION

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# **ANNUAL**

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# **2020/21**

# ACCOUNTING AUTHORITIES 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 3 A National Public Entity. The SAQA Board is the accounting authority for the activities of the entity.

## 1. Nature of entity

The Authority is a public entity domiciled in South Africa.

## 2. Nature of the entity's operations

The nature of the entity's business as set out in the NQF Act No.67 of 2008, is to oversee the further development and implementation of the National Qualifications Framework (NQF) and to ensure the achievement of its objectives.

## 3. Going concern

The Board believes that SAQA will continue to be a going concern for the financial year ahead. Accordingly, it continues to adopt the going concern basis in preparing the annual financial statements. In arriving at this view, the Board took into account the current sound financial position of SAQA as well as the responsibility of the Minister of Higher Education and Training, in terms of the NQF Act, to fund SAQA's functions. The Board considered the impact of COVID-19 measures on SAQA's financial sustainability and have also prepared a detailed cash flow projection for the foreseeable future to support the going concern principle.

## 4. Events after the reporting period

No adjusting events, or non-adjusting events requiring disclosure, occurred after the reporting period.

## 5. Principal activities

- Oversee the implementation of the NQF;
- Develop a system of collaboration to guide the mutual relations of SAQA and the Quality Councils;
- Develop, publish and maintain Level Descriptors for each level of the NQF;
- Develop and implement policy and criteria for the development, registration and publication of the qualifications and part-qualifications on the NQF;
- Register qualifications and part-qualifications on the NQF;
- Develop policies and criteria for Assessment, Recognition of Prior Learning and Credit Accumulation and Transfer;
- Develop and implement policy and criteria for recognising a professional body and registering a professional designation;
- Recognise professional bodies and register professional designations on the NQF;
- Collaborate with international counterparts on all matters of mutual interest concerning qualifications frameworks;
- Conduct and commission research on education and training systems;
- Maintain the National Learners' Records Database (NLRD) as the key national source of information for human resource development in South Africa, including the verification of qualifications.
- Implement and maintain foreign qualifications and advisory services; and
- Inform the public about the National Qualifications Framework (NQF).

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

There were no changes in the nature of property, plant and equipment and intangible assets or the policy regarding their use during the year. Capital expenditure on property, plant and equipment and intangible assets for the year amounted to R2,029,762 (2020: R6,769,504).

Details are contained in notes 10 and 11 to the annual financial statements.



# ACCOUNTING AUTHORITIES REPORT (continue)

## 7. Annual Financial Statements

The annual financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) as set out in Accounting Policy paragraph 1 on page 128.

## 8. Auditors

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

The Auditor-General expresses an opinion on the annual financial statements. The audit has been performed in terms of section 188 of the Constitution of the Republic of South Africa, Act 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 13 of the National Qualifications Framework Act (Act No. 67 of 2008). The audit is conducted in accordance with International Standards on Auditing.

## 9. Fair Presentation

The annual financial statements fairly present the state of affairs of SAQA as at 31 March 2021, 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 29 July 2021.

## 10. Projects

Projects continue to play a role in the realisation of SAQA's objectives. The Board is grateful for the contributions to SAQA by the project partners for the year.

Projects	1 April 2020 Opening Balance	Current Year Income / Funds received	Current Year Expenditure/ Release/ Refund	31 March 2021 Balance
CHE - HEQCIS	(159,876)	2,000,000	(1,840,124)	-
UNIVERSITY QUALIFICATIONS	(987,741)	987,741	-	-
REGISTRATION PROJECT				

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

Council on Higher Education (CHE) - SAQA is contracted to manage the Higher Education Quality Committee Information System (HEQCIS) on behalf of the CHE. This project ended on 31 March 2021.

The University Qualification Registration Project (UQRP) sought to support SAQA to ensure that accredited university qualifications are all registered before 31 December 2019, extended to 31 March 2020. One of the main activities in the UQRP is to support the recruitment of temporary staff by SAQA to assist with the qualification registration process. The costs incurred were for salaries paid to the temporary staff.

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

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the South African Qualifications Authority set out on pages 120 to 164, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Qualifications Authority as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general’s responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures

do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the public entity for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 2 – registration and recognition	44 – 47

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2 – registration and recognition.

Other matter

15. I draw attention to the matter below.



## Achievement of planned targets

16. Refer to the annual performance report on pages 31 to 65 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

## Report on the audit of compliance with legislation

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## Other information

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. 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 4 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

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

Auditor-General

Pretoria

1 August 2021



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

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

## Financial statements

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

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

## Communication with those charged with governance

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



## STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2021 R	2020 R
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rendering of services	2	45,543,200	53,614,257
Rent income		33,150	855,813
Interest received		1,020,611	2,095,872
Reversal of provision for credit loss		217,427	428,056
Sundry income		1,392,393	1,513,513
Compensation from insurance		19,681	-
Gain on foreign exchange		-	32,678
<b>Total revenue from exchange transactions</b>		<b>48,226,462</b>	<b>58,540,189</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grant received from the Department of Higher Education and Training		72,519,000	69,893,000
University Qualification Registration National Collaboration Project		-	5,736,709
<b>Total revenue from non-exchange transactions</b>		<b>72,519,000</b>	<b>75,629,709</b>
<b>Total revenue</b>		<b>120,745,462</b>	<b>134,169,898</b>
<b>Expenditure</b>			
Employee related costs	3	(101,588,563)	(98,801,374)
Depreciation and amortisation	10 & 11	(4,348,403)	(3,879,883)
Lease rentals on operating lease		(105,284)	(90,953)
Repairs and maintenance on PPE	10	(368,977)	(960,882)
Property, Plant and Equipment written off		(19,454)	(46,903)
Loss on foreign exchange		(88,674)	-
General Expenses	4	(21,367,245)	(25,912,798)
<b>Total expenditure</b>		<b>(127,886,600)</b>	<b>(129,692,793)</b>
<b>(Deficit) surplus for the year</b>		<b>(7,141,138)</b>	<b>4,477,105</b>

## STATEMENT OF FINANCIAL POSITION

	Note(s)	2021 R	2020 R
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	5	232,612	658,288
Receivables from exchange transactions	6	3,048,590	4,178,468
Receivables from non-exchange transactions	7	-	973,492
Prepayments	8	620,195	505,495
Cash and cash equivalents	9	25,082,308	24,321,003
		<b>28,983,705</b>	<b>30,636,746</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	23,770,723	25,201,470
Intangible assets	11	3,212,249	4,119,599
Prepayments	8	23,063	-
		<b>27,006,035</b>	<b>29,321,069</b>
<b>Total Assets</b>		<b>55,989,740</b>	<b>59,957,815</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Deferred Income	12	5,585,818	10,803,791
Payables from exchange transactions	13	9,587,932	9,808,041
Provisions	15	8,611,145	-
		<b>23,784,895</b>	<b>20,611,832</b>
<b>Total Liabilities</b>		<b>23,784,895</b>	<b>20,611,832</b>
<b>Net Assets</b>		<b>32,204,845</b>	<b>39,345,983</b>
<b>Net Assets</b>			
Accumulated surplus		<b>32,204,845</b>	<b>39,345,983</b>





## STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R	Total net assets R
<b>Balance at April 1, 2019</b>	<b>34,868,878</b>	<b>34,868,878</b>
Changes in net assets Surplus for the year	4,477,105	4,477,105
<b>Balance at April 1, 2020</b>	<b>39,345,983</b>	<b>39,345,983</b>
Changes in net assets Deficit for the year	(7,141,138)	(7,141,138)
<b>Balance at March 31, 2021</b>	<b>32,204,845</b>	<b>32,204,845</b>

# STATEMENT OF CASH FLOWS

	Note(s)	2021 R	2020 R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rendering of services		42,614,855	57,443,227
Government and UQR Project grants received		73,506,741	74,641,968
Interest income		1,020,611	2,095,872
Project funding received		2,000,000	1,753,360
		<b>119,142,207</b>	<b>135,934,427</b>
<b>Payments</b>			
Employee costs		(91,783,828)	(100,241,290)
Payments to suppliers and others		(24,567,312)	(30,117,963)
		<b>(116,351,140)</b>	<b>(130,359,253)</b>
<b>Net cash flows from operating activities</b>	16	<b>2,791,067</b>	<b>5,575,174</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(739,754)	(3,727,305)
Purchase of intangible assets	11	(1,290,008)	(3,042,199)
<b>Net cash flows from investing activities</b>		<b>(2,029,762)</b>	<b>(6,769,504)</b>
<b>Net increase in cash and cash equivalents</b>		<b>761,305</b>	<b>(1,194,330)</b>
Cash and cash equivalents at the beginning of the year		24,321,003	25,515,333
<b>Cash and cash equivalents at the end of the year</b>	9	<b>25,082,308</b>	<b>24,321,003</b>



## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Foreign qualifications evaluation fees	48,000,000	(18,000,000)	30,000,000	32,564,244	2,564,244	1
Rent income	375,000	(375,000)	-	33,150	33,150	
Interest received	2,000,000	(800,000)	1,200,000	1,020,611	(179,389)	
Reversal of provision for impairment	-	-	-	217,427	217,427	1
Sundry income	3,050,000	(2,350,000)	700,000	1,392,393	692,393	1
Verification fees	37,000,000	(27,500,000)	9,500,000	10,558,350	1,058,350	1
Compensation from insurance	-	-	-	19,681	19,681	
Professional bodies fees	3,200,000	(1,400,000)	1,800,000	2,420,606	620,606	1
<b>Total revenue from exchange transactions</b>	<b>93,625,000</b>	<b>(50,425,000)</b>	<b>43,200,000</b>	<b>48,226,462</b>	<b>5,026,462</b>	
<b>Revenue from non-exchange transactions</b>						
Government grant from Department of Higher Education and Training	73,737,000	(1,218,000)	72,519,000	72,519,000	-	
Retained surplus funds from prior years	-	8,861,131	8,861,131	-	(8,861,131)	2
<b>Total revenue from non- exchange transactions</b>	<b>73,737,000</b>	<b>7,643,131</b>	<b>81,380,131</b>	<b>72,519,000</b>	<b>(8,861,131)</b>	
<b>Total revenue</b>	<b>167,362,000</b>	<b>(42,781,869)</b>	<b>124,580,131</b>	<b>120,745,462</b>	<b>(3,834,669)</b>	
<b>Expenditure</b>						
Employee related costs	(105,176,820)	9,439,519	(95,737,301)	(101,588,563)	(5,851,262)	3
Depreciation and amortisation	-	-	-	(4,348,403)	(4,348,403)	4
Lease rentals on operating lease	(180,000)	-	(180,000)	(105,284)	74,716	

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget R	Adjustments R	Final Budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Reference
Repairs and maintenance	(1,325,564)	373,588	(951,976)	(368,977)	582,999	
General Expenses	(52,803,067)	28,392,213	(24,410,854)	(21,367,245)	3,043,609	5
<b>Total expenditure</b>	<b>(159,485,451)</b>	<b>38,205,320</b>	<b>(121,280,131)</b>	<b>(127,778,472)</b>	<b>(6,498,341)</b>	
<b>Operating surplus / (deficit)</b>	<b>7,876,549</b>	<b>(4,576,549)</b>	<b>3,300,000</b>	<b>(7,033,010)</b>	<b>(10,333,010)</b>	
Loss on disposal of Property, Plant and Equipment and intangible asset	-	-	-	(19,454)	(19,454)	
Loss on foreign exchange	-	-	-	(88,674)	(88,674)	
	-	-	-	(108,128)	(108,128)	
<b>Surplus / (Deficit)</b>	<b>7,876,549</b>	<b>(4,576,549)</b>	<b>3,300,000</b>	<b>(7,141,138)</b>	<b>(10,441,138)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>7,876,549</b>	<b>(4,576,549)</b>	<b>3,300,000</b>	<b>(7,141,138)</b>	<b>(10,441,138)</b>	
<b>Current Assets</b>						
Inventories	-	-	-	232,612	232,612	
Receivables from exchange	-	-	-	3,048,590	3,048,590	
Prepayments	-	-	-	643,258	643,258	
Cash and cash equivalents	-	-	-	25,082,308	25,082,308	
	-	-	-	29,006,768	29,006,768	
<b>Non-Current Assets</b>						
Property, Plant and Equipment	7,876,549	(4,576,549)	3,300,000	(739,754)	(4,039,754)	6
Intangible assets	-	-	-	(1,290,008)	(1,290,008)	6
	<b>7,876,549</b>	<b>(4,576,549)</b>	<b>3,300,000</b>	<b>(2,029,762)</b>	<b>(5,329,762)</b>	
<b>Current Liabilities</b>						
Payables from exchange transactions	-	-	-	9,587,932	9,587,932	
Deferred Income	-	-	-	5,585,818	5,585,818	
Provisions	-	-	-	8,611,145	8,611,145	
	-	-	-	23,784,895	23,784,895	

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

## Comments to the statement of comparison of budget and actual amounts

The budgetary basis adopted in the budget is not the same as those used in the preparation of the annual financial statements. The budget is prepared on the modified cash basis and the financial statements are prepared on an accrual basis on the annual financial statements. The approved budget covers the period 1 April 2020 to 31 March 2021.

### Revenue

#### Ref 1: Revenue from exchange transactions

- The aggregated R5,03 million favourable variance (11.6% vs budget) was due to the following main contributors
- Foreign qualifications evaluation fees are favourable to the budget by R2,6 million due to a change in policy on the treatment of deposits and the efforts made in reducing deferred income and by applying the Prescription Act to old deposits.
- Verification income is favourable to the budget by R1,06 million due to an increase in individual clients paying for themselves (as opposed to organisations as clients) and a steady increase in job appointments as the lockdown levels were relaxed.
- Sundry income is estimated at the budget stage based on historical information. The favourable variance of R692,393 is due to adhoc requests that were received.

#### Ref 2: Revenue from non-exchange transactions

- The variance is favourable due to SAQA receiving approval to retain surplus funds from the previous financial year.

### Expenditure

#### Ref 3: Employee related costs

- Employee related costs are unfavourable by R5,85 million, due to the provision raised for the cost of the retrenchments.

#### Ref 4: Depreciation and amortisation

- SAQA does not include depreciation and amortisation in its budget.

#### Ref 5: General Expenses

The general expenditure is favourable by an aggregated amount of R3,04 million (12.5% vs budget) mainly due to the following contributors:

- Bank charges are favourable by R196,602, due to fewer deposits received and fewer payments processed.

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

- Postage is favourable by R340,135, due to fewer applications received for the foreign qualifications evaluations services.
- Photocopying and printing are favourable by R258,553, due to a decrease in printing meeting packs as all meetings were held online due to the Covid-19 lockdown.
- Computer software licensing is favourable by R1,9 million, as licenses that were purchased that covered a period longer than one year, were reclassified as Intangible assets in the statement of financial position.
- Professional and consultancy fees are favourable by R822,518. This expenditure is dependent on work done and the business needs of the organisation. Invoices are processed once all the contractual arrangements are met and the work is completed based on requirements.
- Legal fees have an unfavourable variance to the budget of R261,771, mainly due to the number of cases being higher than anticipated.
- The increase in Building Costs is due to an increase in the property rates and taxes and a new security contract.

The balance is attributed to various cost-saving initiatives implemented by the Directorates.

## Non-current assets

### Ref 6: Property, Plant and Equipment and Intangible

- Property, plant and equipment (PPE) is favourable by R4,03 million. This was mainly due to the impact of the lockdown measures implemented as a result of Covid-19, which resulted in major projects having to be deferred to the next financial year.
- Intangible assets include software licenses that were purchased that cover a period longer than one year. These items are budgeted under computer software licensing and reclassified to intangibles at the financial year-end.

The other financial position line items are not budgeted for.



# ACCOUNTING POLICIES

## 1. Basis of preparation

The Annual Financial Statements have been prepared in accordance with the Standards of 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).

The accounting policies set out below have been applied consistently to all periods presented in these annual financial statements.

The annual financial statements have been prepared on the historical cost basis except for financial instruments stated at fair value as disclosed in the notes below. The annual financial statements are presented in South African Rands.

### 1.1 Significant accounting judgements and estimates

The preparation of the annual financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying SAQA's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements, are disclosed below.

### Significant accounting estimates and assumptions

#### Provisions

Provisions were raised based on management determined estimates using the information available. The accounting policy for provisions is disclosed under note 1.5, and additional disclosure of these estimates of provisions are included in note 15.

## Depreciation and amortisation

During each financial year, management reviews property, plant and equipment and intangible assets to assess whether the useful lives and residual values applicable to each asset are appropriate.

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

## Impairment of receivables

Management conducts annual tests to determine whether receivables have suffered any impairment (refer to note 1.11).

## 1.2 Property, Plant and Equipment

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.

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Costs include expenditure that is directly attributable to the acquisition of the assets.

SAQA recognises in the carrying amount of property, plant and equipment, the cost of replacing part of such an item when the cost is incurred if it is probable

# ACCOUNTING POLICIES (continue)

that the future economic benefit or service potential embodied within the item will flow to SAQA and the cost can be measured reliably. All other costs are recognised in the statement of financial performance when incurred.

Where property, plant and equipment is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

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 estimated useful lives are as follows:

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

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

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

## 1.2 Property, Plant and Equipment (continued)

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

The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and

equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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 expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements (refer to note 10).

## 1.3 Intangible assets

SAQA identifies intangible assets 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.

SAQA recognises an intangible asset when:

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

An intangible asset is recognised at cost if it is probable that future economic benefits or service potential will flow to SAQA. Amortisation is charged on a systematic basis over the estimated useful lives of the intangible assets.

Subsequent expenditure on capitalised intangible assets is capitalised only if it increases the future benefits or service potential embodied in the specific asset to which it relates. The carrying amounts are reviewed at the financial position



# ACCOUNTING POLICIES (continue)

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

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

## 1.3 Intangible assets (continued)

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

Item	Useful life
DFQEAS Workflow Software	8 - 14 years
NLRD Software	22 years
SAQA Website	5,5 years
License Fees	As per the license agreement
Verifications Database	8 years
Other computer software	10 years

SAQA de-recognises intangible assets:

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

The gain or loss arising from the de-recognition of an intangible asset is included in the surplus or deficit when the asset is derecognised.

## 1.4 Inventories

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

SAQA implemented the Just-In-Time (JIT) process of acquiring stationery as it eliminated the need for an inventory /stationery store and subsequently, stationery inventories are no longer measured at the lower of cost and current replacement cost at the reporting date. The store was closed on 28 February 2021.

Collateral Inventories are measured at the lower of cost and current replacement cost where they are held for distribution at no charge or a nominal charge.

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

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

## 1.5 Provisions

Provisions are recognised in the statement of financial position when:

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

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time-value of money and, where appropriate, the risks specific to the liability.

Provision for onerous contracts is recognised when the expected benefits to be derived from the contracts are lower than the unavoidable cost of meeting the obligations under the contracts. A provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, SAQA recognises any impairment loss on the asset associated with the contract.

# ACCOUNTING POLICIES (continue)

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

## 1.6 Commitments

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 for the annual financial statements. Refer to note 25.

## 1.7 Employee benefits

### Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

### 1.7 Employee benefits (continued)

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 plan

SAQA contributes to a defined contribution plan, and all contributions are charged against the statement of financial performance as incurred.

## 1.8 Revenue

### Revenue from exchange transactions

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

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

Revenue from exchange transactions comprises the following:

### Verification fees

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

### Foreign qualifications evaluation fees

Fees received for the evaluation of the foreign qualification services are recognised immediately as income from 1 October 2020. For all fees received 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.



# ACCOUNTING POLICIES (continue)

## 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 R10 000 and the maximum fee of R200 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.

## Rent income

Rent 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 investment is recognised on a time-proportion basis using the effective interest rate.

## Revenue from non-exchange transactions

The government grant is 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 any restrictions or 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.

## 1.9 Prepayments

Prepayments are payments made in advance for services that have not been delivered for which SAQA expects the delivery in the next financial period. Prepayments are recognised as current assets and are not discounted as the discounting effect is considered immaterial.

## 1.10 Leases

### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. Contingent rent is recognised as revenue in the period it arises.

The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability.

### 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 are recognised as an operating lease asset or liability.

# ACCOUNTING POLICIES (continue)

## 1.11 Financial instruments

### Initial recognition and measurement

Financial assets and financial liabilities are recognised in SAQA's statement of financial position when SAQA becomes party to the contractual provisions of the instrument. Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value. Financial assets are derecognised if the SAQA's contractual rights to the cash flows from the financial assets expire or if SAQA transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the SAQA's obligations specified in the contract expire or are discharged or cancelled.

Financial instruments are classified into the following categories:

### 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 losses is established when there is objective evidence that not all amounts due will be collected according to the original terms of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. SAQA also considered the delays in receiving payments due to COVID-19 and lock-down rules; therefore, this resulted in current debtors being assessed for impairment. The provision for the 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.

### Payables

Payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

### 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 to their fair value at the reporting date.

### Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when SAQA 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 liabilities simultaneously.

## 1.12 Foreign currency transaction 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 on translation are credited to or charged against the statement of financial performance.

## 1.13 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.



# ACCOUNTING POLICIES (continue)

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.

## 1.14 Related parties

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

## 1.15 Accounting by principals and agents Identification

SAQA is an agent that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

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

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

## 1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which 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.

## 1.17 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 are derecognised when settled or written off as irrecoverable.

# ACCOUNTING POLICIES (continue)

## 1.18 Events after reporting date

- a. Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue. Two types of events can be identified:
- b. those that provide evidence of conditions that existed at the reporting date (adjusting events after reporting date); and
- c. 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 annual 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 the users taken on the basis of the annual financial statements.

## 1.19 Expenditure

Expenses have not been offset except where offsetting is required or permitted by a Standard of GRAP and are accounted for on the accrual basis of accounting.

## 1.20 Deferred income

SAQA recognises deferred income when it received funds for services in advance for services that it has still to render. Once it has rendered the services, the funds are recognised as income in the statement of financial performance. Deferred income is stated at the nominal amount received. The effect of discounting is immaterial.

## 1.21 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 24.

## 1.22 New Standards and Interpretations

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2020 or later periods. The effect of the changes to the annual financial statements of SAQA, if any, once implemented, will unlikely have a material impact.

- GRAP 34 Separate Financial Statements
- GRAP 35 Consolidated Financial Statements
- GRAP 36 Investments in Associates and Joint Ventures
- GRAP 37 Joint Arrangements
- GRAP 38 Disclosure of Interest in Other Entities
- GRAP 110 (as amended 2016) Living and Non-living Resources
- IGRAP 20 on Adjustments to Revenue (and related amendments to IGRAP 1)

This note was configured for the purposes of fair presentation of the annual financial statements.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 2. Revenue from exchange transactions

	2021 R	2020 R
<b>Rendering of services includes the following:</b>		
Foreign qualifications evaluation fees	32,564,244	39,695,348
Verification fees	10,558,350	11,385,121
Professional bodies fees	2,420,606	2,533,788
	<b>45,543,200</b>	<b>53,614,257</b>

## 3. Employee related costs

Remuneration and other benefits	91,661,222	88,678,936
Statutory contributions	550,778	566,410
Defined contribution plans	9,376,563	9,556,028
	<b>101,588,563</b>	<b>98,801,374</b>

Included in employee costs above is a total amount of R1,968,073 paid to five employees that took the voluntary retrenchment severance package in November 2020. Also included is the provision raised of R8,191,756 for the cost of the retrenchments that were not concluded at year-end.

## 4. General expenses

Included in general expenses are the following items:

### Auditors' Remuneration

External audit	1,641,273	1,527,950
Internal audit	271,481	320,561
	<b>1,912,754</b>	<b>1,848,511</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 4. General expenses (continued)

	2021 R	2020 R
<b>Other</b>		
Board Chairperson fee	374,133	374,133
Board members fees	326,669	362,835
Board members other costs and travel-reimbursement	24,666	80,893
Committee members attendance fees	166,321	247,166
Committee members travel-reimbursement	12,260	20,348
Bank charges	803,398	1,452,924
Reversal of prior year income accrual	559,857	40,143
Postage	1,752,065	2,392,942
Computer software licensing	627,412	910,204
Temporary staff costs	842,190	775,936
Printing	105,980	614,185
IT support and maintenance	3,134,688	3,766,635
Conference fees	8,345	793,220
Consulting and professional fees	1,007,481	768,983
Travel and subsistence	218,738	887,403
Legal Fees	1,111,771	516,016
Building costs-cleaning services	953,762	981,399
Building costs-electricity and water	1,466,667	1,534,108
Building costs-insurance, letting comm and refuse	38,440	126,714
Building cost-rates and taxes	1,363,343	891,937
Building costs-security services	1,573,458	1,446,468
Advertising and advocacy	12,190	53,727
Other operating expenses	2,970,657	5,025,968
	<b>19,454,491</b>	<b>24,064,287</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 4. General expenses (continued)

	2021 R	2020 R
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This note was configured for the purposes of fair presentation of the annual financial statements.

<b>Total general expenses</b>	<b>21,367,245</b>	<b>25,912,798</b>
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## 5. Inventories

Collateral	232,612	260,285
Stationery	-	398,003
	<b>232,612</b>	<b>658,288</b>

Inventories recognised as an expense during the year (disclosed under general expenses)	401,687	446,547
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During the financial year, SAQA moved from an inventory on hand stock system to a Just-In-Time inventory system. All stationery held as stock was distributed to the directorates in terms of their normal consumptions.

## 6. Receivables from exchange transactions

Verification debtors	2,276,242	2,061,924
Less: Provision for credit losses	(309,637)	(326,040)
	<b>1,966,605</b>	<b>1,735,884</b>
Professional bodies debtors	1,390,835	2,047,971
Less: Provision for credit losses	(522,498)	(242,714)
	<b>868,337</b>	<b>1,805,257</b>
Staff debtors	127,704	127,774
Less: Provision for credit losses	(111,718)	(54,389)
	<b>15,986</b>	<b>73,385</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 6. Receivables from exchange transactions (continued)

	2021 R	2020 R
Other debtors	261,770	1,151,937
Less: Provision for credit losses	(64,108)	(587,995)
	<b>197,662</b>	<b>563,942</b>
Closing balance	<b>3,048,590</b>	<b>4,178,468</b>
<b>Reconciliation of provision for credit loss of receivables from exchange transactions</b>		
Opening balance	1,211,140	1,653,445
Reversal of provision for credit loss	(203,179)	(442,305)
<b>Closing balance</b>	<b>1,007,961</b>	<b>1,211,140</b>
There was a decrease in the provision for impairment of debtors as SAQA managed to reduce the long outstanding debts through vigorous debt collection efforts.		
<b>The ageing of amounts due are as follows:</b>		
Current due (1 month)	718,547	2,623,218
2 months past due	552,710	742,933
> 3 months past due	1,777,333	812,317
	<b>3,048,590</b>	<b>4,178,468</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 7. Receivables from non-exchange transactions

### Receivables from non-exchange transactions impaired

As of March 31, 2021, there were no other receivables from non-exchange transactions that were impaired. The amount of the provision for the prior year was (R 14,249) as of March 31, 2020.

The ageing of this debtor is as follows:

	2021 R	2020 R
Current due (1 month)	-	973,492
University Qualifications Registration Project	-	987,741
Less: Provision for credit losses	-	(14,249)
	<b>-</b>	<b>973,492</b>

### Reconciliation of provision for credit loss of receivables from non- exchange transactions

Opening balance	14,249	-
Charged to the Statement of Financial Performance	(14,249)	14,249
<b>Closing balance</b>	<b>-</b>	<b>14,249</b>

## 8. Prepayments

E-Toll	528	803
Insurance	334,446	-
IT support and maintenance expenses	129,658	358,555
Subscriptions	178,626	146,062
Sundry expenses	-	75
	<b>643,258</b>	<b>505,495</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 8. Prepayments (continued)

Included in IT support and maintenance costs is an amount of R 23,063 that relates to a prepayment that is longer than 12 months and has been classified on the statement of financial position under non-current assets.

## 9. Cash and cash equivalents

	2021 R	2020 R
Cash and cash equivalents consist of:		
Cash on hand	6,122	274
Bank balances	3,606,922	7,819,720
Credit card deposit	200,000	215,708
Corporation for Public Deposits	21,269,264	16,285,301
	<b>25,082,308</b>	<b>24,321,003</b>

The average weekly balance of funds held at the Corporation for Public Deposits over the financial year was R25,86 million (2020: R28,53 million) and the average interest rate over the same period was 3.90% (2020: 6.89%).

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

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 10. Property, Plant and Equipment

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
<b>Figures in Rand</b>						
Land	515,455	-	515,455	515,455	-	515,455
Buildings	22,242,736	(6,697,395)	15,545,341	21,978,149	(6,459,484)	15,518,665
<b>Subtotal: land and building</b>	<b>22,758,191</b>	<b>(6,697,395)</b>	<b>16,060,796</b>	<b>22,493,604</b>	<b>(6,459,484)</b>	<b>16,034,120</b>
IT equipment	19,302,455	(13,413,892)	5,888,563	18,871,463	(11,765,566)	7,105,897
Motor vehicles	304,287	(186,719)	117,568	304,287	(156,856)	147,431
Furniture and fixtures	4,736,696	(3,032,900)	1,703,796	4,736,696	(2,822,674)	1,914,022
<b>Total</b>	<b>47,101,629</b>	<b>(23,330,906)</b>	<b>23,770,723</b>	<b>46,406,050</b>	<b>(21,204,580)</b>	<b>25,201,470</b>

### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Carrying amount on disposals	Depreciation	Total
<b>Figures in Rand</b>					
Land	515,455	-	-	-	515,455
Buildings	15,518,665	264,587	-	(237,911)	15,545,341
<b>Subtotal: land and building</b>	<b>16,034,120</b>	<b>264,587</b>	<b>-</b>	<b>(237,911)</b>	<b>16,060,796</b>
IT equipment	7,105,897	475,167	(19,454)	(1,673,048)	5,888,562
Motor vehicles	147,432	-	-	(29,864)	117,568
Furniture and fixtures	1,914,022	-	-	(210,226)	1,703,796
	<b>25,201,471</b>	<b>739,754</b>	<b>(19,454)</b>	<b>(2,151,049)</b>	<b>23,770,722</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 10. Property, Plant and Equipment (continued)

### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Carrying amount on disposals	Depreciation	Total
<b>Figures in Rand</b>					
Land	515,455	-	-	-	515,455
Buildings	15,280,990	490,859	-	(253,184)	15,518,665
<b>Subtotal: land and building</b>	<b>15,796,445</b>	<b>490,859</b>	<b>-</b>	<b>(253,184)</b>	<b>16,034,120</b>
IT equipment	6,170,577	2,778,804	(36,261)	(1,807,223)	7,105,897
Motor vehicles	173,467	-	-	(26,035)	147,431
Furniture and fixtures	1,694,428	457,642	(10,643)	(227,405)	1,914,022
	<b>23,834,917</b>	<b>3,727,305</b>	<b>(46,904)</b>	<b>(2,313,847)</b>	<b>25,201,471</b>

SAQA acquired the land and buildings at 1067 Arcadia Street, Hatfield, Pretoria, Erf 637 Hatfield, on 1 October 2002 for R5,400,000. Net improvements to land and buildings to date amount to R17,358,191 (2020: R17,093,605).

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

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 22.

Expenditure on repairs and maintenance to property, plant and equipment amount to R368,977 (2020: R960,882).

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 10. Property, Plant and Equipment (continued)

### Details of property

	2021 R	2020 R
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	-
	<b>22,758,191</b>	<b>22,493,604</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 11. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Other computer software	83,456	(18,610)	64,846	83,456	(11,127)	72,329
DFQEAS Workflow Software	2,435,611	(2,262,705)	172,906	2,435,611	(2,204,275)	231,336
NLRD Software	27,002,662	(26,420,489)	582,173	27,002,662	(26,274,945)	727,717
SAQA Website	340,976	(61,996)	278,980	340,976	-	340,976
License fees	4,672,065	(3,476,392)	1,195,673	3,382,057	(1,586,258)	1,795,799
Verification Database	380,825	(248,554)	132,271	380,825	(214,783)	166,042
DFQEAS Workflow Under Development	785,400	-	785,400	785,400	-	785,400
<b>Total</b>	<b>35,700,995</b>	<b>(32,488,746)</b>	<b>3,212,249</b>	<b>34,410,987</b>	<b>(30,291,388)</b>	<b>4,119,599</b>

### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
<b>Figures in Rand</b>				
Other computer software	72,328	-	(7,482)	64,846
DFQEAS Workflow Software	231,336	-	(58,430)	172,906
NLRD Software	727,717	-	(145,544)	582,173
SAQA Website	340,976	-	(61,996)	278,980
License fees	1,795,799	1,290,008	(1,890,134)	1,195,673
Verifications Database	166,042	-	(33,771)	132,271
DFQEAS Workflow Under Development	785,400	-	-	785,400
	<b>4,119,598</b>	<b>1,290,008</b>	<b>(2,197,357)</b>	<b>3,212,249</b>





# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 11. Intangible assets (continued)

### Reconciliation of intangible assets - 2020

Figures in Rand	Opening balance	Additions	Amortisation	Total
Other computer software	80,674	-	(8,346)	72 329
DFQEAS Workflow Software	309,515	-	(78,179)	231,336
NLRD Software	909,646	-	(181,929)	727,717
SAQA Website	30,178	340,976	(30,178)	340,976
License fees	319,586	2,701,223	(1,225,010)	1,795,799
Verification Database	208,436	-	(42,394)	166,042
DFQEAS Workflow Under Development	785,400	-	-	785,400
	<b>2,643,435</b>	<b>3,042,199</b>	<b>(1,566,036)</b>	<b>4,119,599</b>

All additions to intangible assets have arisen from internal development initiatives by SAQA, except for the additions to License fees which have been acquired separately. DFQEAS Workflow includes a workflow that is still under development to the amount of R785 400 (2020: R785 400). Management intends to complete the development of the workflow.

## 12. Deferred income

	2021 R	2020 R
<b>Unspent conditional grants and receipts</b>		
Foreign Qualifications Evaluation and Advisory Services	5,415,873	10,624,921
Council on Higher Education	-	159,876
Rent received in advance	1,291	18,994
Verifications	168,654	-
	<b>5,585,818</b>	<b>10,803,791</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 13. Payables from exchange transactions

	2021 R	2020 R
Account payables	3,403,979	4,817,678
Leave accrual	5,243,400	3,984,267
13th Cheque accrual	940,553	1,006,096
	<b>9,587,932</b>	<b>9,808,041</b>

SAQA pays all its trade and other payables within 30 days of receipt of invoice in accordance with the terms of the PFMA and Treasury Regulations.

Any accrued leave pay pay-out is dependent on whether an employee remains in the service of SAQA or not. Any accrued bonus (13th cheque) is paid out in December of each year or in the month after an employee leaves the employ of SAQA. These accruals have, therefore, not been included in the analysis table below.

The ageing of Accounts Payable is as follows:

Current due (1 month)	2,783,089	4,241,629
2 months past due	185,305	83,794
>3 months	435,585	492,255
	<b>3,403,979</b>	<b>4,817,678</b>

## 14. VAT payable from exchange transactions

SAQA was registered for VAT in terms of accounting for the income and expense relating to the building. As of 1 January 2020, SAQA had no tenants in the building. SAQA has applied to be deregistered for VAT

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 15. Provisions

### Reconciliation of Employee Benefit provisions - 2021

	Opening Balance	Additions	Total
Cost of retrenchments	-	8,191,756	8,191,756
Employee related Skills levy	-	419,390	419,390
	-	<b>8,611,146</b>	<b>8,611,146</b>

### Reconciliation of Employee Benefits provisions - 2020

	Opening Balance	Reversed Utilised during the year	Reversed during the year	Total
Staff Performance Bonus	1,605,451	(1,505,114)	(100,337)	-
CEO Performance Bonus	194,549	(194,549)	-	-
	<b>1,800,000</b>	<b>(1,699,663)</b>	<b>(100,337)</b>	<b>-</b>

SAQA embarked on a restructure/redesign process that was an APP target for the financial year 2020/2021. However, this process was expedited by the impact of the COVID-19 pandemic, which saw SAQA struggle to balance the budget as it was unable to generate the revenue for its services due to the lockdown measures implemented. In September 2020 the SAQA Board took the decision to retrench staff and the first Section 189 process commenced on 1 October 2020. Early December 2020 SAQA received a once-off bail out from the Department of Higher Education and Training to assist in paying some of the expenses, until the financial year-end and as a result, the Section 189 process was placed on hold. However, due to extended lock-down regulations and the impact of the second wave of COVID-19, SAQA was once again in a financial predicament. The second Section 189 process commenced on 11 February 2021. SAQA is therefore raising a provision of R8,191,756 in respect of the costs of the voluntary retrenchments.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 15. Provisions (continued)

In note 26: Fruitless and Wasteful Expenditure, SAQA disclosed a financial misconduct by one of its employees. SAQA is therefore raising a provision for the levies of R419,390 for the months that it was not calculated and rectified.

SAQA's management took the decision not to provide for a performance bonus, due to the negative impact of the lockdown restrictions imposed due to COVID-19 on its ability to generate revenue for its services, and due to budget cuts implemented by the government.

## 16. Cash generated from operations

	2020 R	2021 R
(Deficit) surplus before taxation	(7,141,138)	4,477,105
<b>Adjustments for:</b>		
Depreciation and amortisation	4,348,403	3,879,883
Loss on disposal of assets	19,454	46,903
Loss on foreign exchange	88,674	-
Bad debts provision	(217,427)	(428,056)
Movements in operating lease assets and accruals	-	15,979
Movements in provisions	8,611,145	(1,800,000)
Reversal of prior year income accrual	559,857	-
<b>Changes in working capital:</b>		
Inventories	425,676	(181,726)
Receivables from exchange	1,672,270	935,854
Prepayments	(137,763)	1,468,796
Payables from exchange transactions	(220,111)	(2,201,453)
VAT	-	(12,349)
Deferred Income	(5,217,973)	(625,762)
	<b>2,791,067</b>	<b>5,575,174</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 17. Operating lease Leases as Lessor

SAQA leased out offices in the SAQA House building under operating leases, and the contract ended on 31 December 2019.

SAQA leases microcell space for a period of 9 years and 11 months, respectively. In terms of the microcell lease agreements, the commencement date is 01 December 2014 and SAQA is entitled to a minimum lease payment of R18,000 per annum. The lease agreement provides for a lease escalation rate linked to the percentage increase to the headline consumer price index (CPI) annually. The contingent rent recognised as revenue in the current year is R5,618. The future minimum lease payments under non-cancellable leases are as follows:

	2020 R	2021 R
Less than one year	18,000	18,000
Between one and five years	46,500	64,500
	<b>64,500</b>	<b>82,500</b>
Amount to be recognised in future periods	64,500	82,500

## 18. Taxation

SAQA is exempt from Income Tax in terms of section 10 (1) cA of the Income Tax Act

## 19. Financial risk management

### Financial risk factors

Exposure to credit risk arises in the normal course of SAQA's business. Exposure to currency and interest rate risk is minimal. SAQA has an overall risk management plan that is approved by the Board and is annually reviewed by the Audit and Risk Committee. The Board has approved written policies covering specific areas such as the investment policy, debtors' policy, payables policy and other policies that SAQA's management adheres to.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 19. Financial risk management (continued)

### 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.

	2021 R	2020 R
<b>The maximum exposure to credit risk is as follows:</b>		
Trade Receivables	4,056,551	6,377,349
Less: Provision for credit loss	(1,007,961)	(1,225,389)
	<b>3,048,590</b>	<b>5,151,960</b>

### Liquidity risk

SAQA manages liquidity risks by monitoring forecasted cash flows and ensuring that the necessary funds are available to meet any commitments which arise. SAQA further manages liquidity risk by only spending according to its approved budget, which is fully funded. The budget is reviewed and approved annually by the Board and by the Minister of Higher Education Science and Innovation. Cash that is not needed immediately is invested with the Corporation for Public Deposits. As funds are needed, the necessary cash is transferred to SAQA's operations account. Creditors are paid within 30 days of receipt of the invoice. See note 13 for an analysis of the timing of the payments to trade creditors.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 19. Financial risk management (continued)

### Interest rate risk

SAQA's exposure to interest rate risk relates to the call deposit held with the Corporation for Public Deposits (CPD). The interest rate is updated weekly and is linked to the Treasury Bill rate. SAQA reviews the rate at regular intervals and compares the rate received to the rates available in the market from other large commercial banking institutions to ensure that it is receiving competitive rates. The funds held with the CPD are available on the same day if requested before 12h00.

On an average cash balance of R25,86 million (2020: R28,53 million), a 1% rise or fall in the interest rate would have an effect on the income of either increasing income or decreasing it by R258,600 (2020: R285,300), having an effect of 0.21% (2020: 0.21%) of total income.

### Fair values

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

## 20. 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.

The total cost charged to income of R9,376,563 (2020: R9,556,028) represents contributions payable to the scheme by SAQA according to the rates specified in the rules of the scheme. This amount is disclosed under employee-related costs in the statement of financial performance (refer to note 3). As at 31 March 2021, all contributions had been paid over to the scheme.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 21. Subsequent events

No adjusting or non-adjusting events requiring disclosure occurred after the reporting period.

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

## 22. Change in Accounting estimate

	2021 R	2020 R
<b>Impact of changes in accounting estimates</b>		
Increase in net surplus	39,213	187,943
Decrease in depreciation on Furniture and Fixtures	-	(29,118)
Decrease in depreciation on IT Equipment	(38,865)	(153,698)
Decrease in depreciation on Buildings	(348)	(5,127)
	<u>-</u>	<u>-</u>

In the current year, management re-assessed the remaining useful lives and residual values of property, plant and equipment and intangible assets. The change in estimate is applied prospectively. The effect of this assessment has decreased the depreciation and amortisation charges in the current period and increased the depreciation and the amortisation charges for future periods by R 39,213 (2020: R187,943).

## 23. Investment property

The Authority leased a portion of the SAQA House building but has decided not to treat this property as an investment property as the Authority occupies a significant portion of the building for administration purposes. Accordingly, the leased floor space is treated as an operating lease of property, plant and equipment. The building lease contract ended in December 2019. For the financial year under review, SAQA did not have any tenants in the building.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 24. Contingent liabilities

The SAQA has applied to National Treasury in terms of Section 53(3) of the PFMA for the retention of the accumulated surplus of R4,346,003 for the 2020/2021 financial year based on a National Treasury prescribed formula.

## 25. Commitments

### Committed and Contracted

	2021 R	2020 R
SAQA has the following contractual commitments that it has already entered into for the coming financial years:		
- IT Related Costs	6,304,133	8,151,599
- Facilities Costs	23,500,889	17,821,485
- Professional Services	8,248,610	9,897,656
- Advertisements and Advocacy	2,705,842	3,703,827
	<b>40,759,474</b>	<b>39,574,567</b>

### Facilities Costs Commitments

These commitments are for the repair and maintenance of the building and its related infrastructure; however, an amount of R9,342,154 is for Courier services that may be required.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 25. Commitments (continued)

	2021 R	2020 R
<b>Tenders approved but not contracted</b>		
IT-Related costs	2,500,000	-
Facilities-Related costs	-	4,419,840
	<b>2,500,000</b>	<b>4,419,840</b>

During the 2020/2021 financial year, SAQA's Procurement Committee Chairperson presented and recommended the BEC report and the BAC Memorandum to the SAQA EXCO on 4 March 2021. The EXCO, on the same day, approved the appointment of Nashua Tshwane to supply, deliver, install, commission, maintain and support an output-based office automation solution, including the trade-in of 36 existing photocopy machines, to the SAQA. The contract will come into effect on 1 April 2021.

During the 2019/2020 financial year, SAQA approved Bids relating to Facilities services, which were fully contracted for after year-end. The service providers signed the contracts after year-end.

### Operating lease as Lessee

#### Minimum lease payments due

- within one year	107,492	83,204
- in second to fifth year inclusive	97,258	180,462
	<b>204,750</b>	<b>263,666</b>

SAQA entered into a new contract for water coolers effective 1 March 2020 for a period of 24 months. The lease payment is R2080 per month, and there are no built-in price escalations in the lease agreement. The contract ends on 28 February 2022.

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

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 25. Commitments (continued)

SAQA leases the instruments at a monthly fee, and it 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.

## 26. Fruitless and Wasteful Expenditure

In January 2021 an incident of criminal misconduct relating to the SAQA payroll was reported to the acting CEO. The employee transferred an amount of R49,820 into his personal bank account, by altering the details of a terminated employee. The employee was taken to a disciplinary hearing, wherein he pleaded guilty and was dismissed. SAQA also opened a criminal case at the South African Police Services. SAQA was able to recoup all the stolen amount from the employee's final payments, as a result, SAQA incurred no financial loss.

The SAQA has assessed the levels of materiality to be:

- any amount which arises from criminal conduct;
- R1 and above which results from irregular, fruitless or wasteful expenditure caused by gross negligence; or
- R 714 000 and above, is approximately 0,5% of gross revenue/expenditure budgeted for in the 2019/2020 financial year for any other transactions.

The Board has decided that any transaction covered by Section 54(2) of the Public Finance Management Act in excess of R2 million be reported on, being:

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

	2021 R	2020 R
<b>Details of Fruitless and Wasteful expenditure</b>		
Fruitless and wasteful expenditure	49,820	-
Less: Amount recovered	(49,820)	-
	-	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 27. Related parties

### Relationships

Executive Authority	Department of Higher Education and Training
Council on Higher Education and Training	Principal/Agent agreement
Board and committee members	Refer to note 4 and note 26
Members of key management	Refer to note 27

### Identity of related parties

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

Transactions with Board members of SAQA consists of remuneration and are disclosed in Notes 4 and 27 to the financial statements and also in the Accounting Authority Report.

SAQA received R72,519,000 (2020: R69,893,000) from the government during the year. No financial commitments were made on behalf of the government. In addition, SAQA invoiced R5,736,709 and received R4,748,968 from DHET for the execution of the University Qualification Registration Project in 2020. The balance was received after the financial year-end.



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 27. Related parties (continued)

Transactions between SAQA, the DHET and its public entities:

	2021 R	2020 R
<b>Grant</b>		
Department of Higher Education and Training	72,519,000	69,893,000
Department of Higher Education and Training (University Qualification registration national Collaboration Project)	-	5,736,709
	<b>72,519,000</b>	<b>75,629,709</b>
<b>Funds received from related parties</b>		
Council on Higher Education	2,000,000	1,753,360
Department of Higher Education and Training (University Qualification registration national Collaboration Project)	-	4,748,968
	<b>2,000,000</b>	<b>6,502,328</b>
<b>Balance owed to / (by) other related entity</b>		
Council for Higher Education	-	159,876
Department of Higher Education and Training (University Qualification registration national Collaboration Project)	-	(987,741)
Department of Higher Education and Training (University Qualification registration national Collaboration Project)-Provision for credit loss	-	14,249
	<b>-</b>	<b>(813,616)</b>
<b>Balances for transactions within normal operating parameters</b>		
Department of Higher Education and Training (uses SAQA to verify qualification for its employees)	62,080	8,239
Department of Higher Education and Training (uses SAQA to verify qualifications for its employees) - Provision for credit loss	(1,381)	-

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 27. Related parties (continued)

### Remuneration of Non-Executive management

#### Non-Executive management 2021

	Board fees	Audit and Risk Committee	Finance Committee	REMCO/ EXCO	Q&S / Professional Bodies Committee	VCQ Committee	I and IT Committee	Other Committee	Travel and Other Cost	Total
<b>Figures in Rand</b>										
<b>7th Board members</b>	93,533	-	-	-	-	-	-	-	397	93,930
Prof P Lolwana- Chairperson										
Mr BM Gantile	11,005	-	-	-	-	-	-	11,007	1,594	23,606
Ms N Starr	14,674	-	-	-	-	-	-	4,646	1,349	20,669
Mr AO Benjamin	3,668	-	-	-	-	-	-	-	-	3,668
Mr GC Louw	14,674	-	-	-	-	-	-	3,669	4,863	23,206
Ms JC Agulhas	14,674	-	-	-	-	-	-	-	1,756	16,430
Mr MM Mafisa	14,674	-	-	-	-	-	-	-	706	15,380
<b>6th Board members</b>										
Dr V Toni Penxa	280,600	-	-	-	-	-	-	-	800	281,400
Dr SD Bhikha	22,014	-	-	-	33,998	-	-	-	2,800	58,812
Mr BM Gantile	-	-	-	-	-	3,669	11,007	-	800	15,476
Prof SJ Howie	-	-	-	-	-	-	-	-	200	200
Mr GC Louw	14,676	-	-	-	-	-	-	14,676	1,800	31,152
Ms PLF Nzimande	14,676	7,338	-	14,676	-	-	4,646	-	2,000	43,336
Prof TG Schultz	11,071	-	3,669	8,369	25,657	-	-	7,146	3,600	59,512
Mr AO Benjamin	14,676	11,007	-	-	-	-	-	-	1,400	27,083
Ms SE Lekoloane	7,338	-	-	-	-	3,669	-	-	600	11,607
	<b>531,953</b>	<b>18,345</b>	<b>3,669</b>	<b>23,045</b>	<b>59,655</b>	<b>7,338</b>	<b>15,653</b>	<b>41,144</b>	<b>24,665</b>	<b>725,467</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 27. Related parties (continued)

2020

	Board fees	Audit and Risk Committee	Finance Committee	Remco/ Exco	Q&S Committee	VCQ Committee	I & IT Committee	Other Committees	Travel and other costs	Total
<b>Figures in Rand</b>										
Name										
Dr V Toni Penxa - Chairperson	374,133	-	-	-	-	-	-	-	6,583	380,716
Dr SD Bhikha	29,352	-	-	-	39,977	-	-	-	1,019	70,348
Mr BM Gantile	11,007	-	-	-	-	3,669	11,007	3,669	2,543	31,895
Prof SJ Howie	-	-	-	-	-	-	-	53,303	5,843	59,146
Prof JO Kuye - resigned	-	-	-	-	-	4,403	-	-	111	4,514
May 2020										
Mr GC Louw	18,345	-	-	-	-	-	-	14,485	47,196	80,026
Ms PLF Nzimande	14,676	10,816	-	14,294	-	-	18,341	-	3,369	61,496
Prof TG Schultz	11,007	-	14,485	21,823	32,639	3,669	-	13,713	6,560	103,896
Ms N Starr	-	-	-	-	-	-	-	-	6,376	6,376
Mr AO Benjamin	14,485	3,669	-	-	-	-	-	-	1,293	19,447
	<b>473,005</b>	<b>14,485</b>	<b>14,485</b>	<b>36,117</b>	<b>72,616</b>	<b>11,741</b>	<b>29,348</b>	<b>85,170</b>	<b>80,893</b>	<b>817,860</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 28. Directors' emoluments

### 2021

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



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 28. Directors' emoluments (continued)

2020

	Basic salary	Medical aid allowance	Housing allowance	Other allowances / benefits	Contribution to retirement plan	13th cheque	Termination	Performance bonu	Total
J Samuels, Chief Executive Officer	949,895	40,000	40,000	90,000	151,983	94,990	647,670	194,549	2,209,087
Dr KB Reddy, Deputy Chief Executive Officer	1,220,585	34,560	44,760	25,429	195,294	101,715	-	79,846	1,702,189
N Naidoo, Director: In the Office of the CEO	851,858	35,737	45,804	847	136,297	-	-	60,322	1,130,865
C Jaftha, Director: International Liaison	765,669	35,737	45,804	-	122,507	63,806	-	60,322	1,093,845
W Radu, Director: Advocacy Communication and Support	765,669	35,737	45,804	15,951	122,507	63,806	-	-	1,049,474
P Mbingo, Director: Finance and Administration	1,201,835	34,560	44,760	25,038	192,294	100,153	-	94,416	1,693,056
N Coetzee, Director: Foreign Qualifications Evaluation and Advisory Services	886,118	35,737	45,804	3,390	141,779	73,843	-	57,553	1,244,224
J Ntsioa, Director: Information Technology	919,917	35,737	45,804	-	147,187	76,660	-	-	1,225,305
C Oelofsen, Director: National Learners' Records Database	765,669	35,737	45,804	-	122,507	63,806	-	-	1,033,523
F Nyaka, Director: Registration and Recognition	823,857	35,737	45,804	-	131,817	68,655	-	53,787	1,159,657
H Bolton, Director: Research	883,041	35,737	45,804	1,695	141,287	-	-	75,302	1,182,866
D Strydom, Project Director: Verifications	765,669	35,737	45,804	847	122,507	63,806	-	50,269	1,084,639
P Maboho, Director: Human Resources	854,987	35,737	45,804	17,812	136,798	71,249	-	44,536	1,206,923
	<b>11,654,769</b>	<b>466,490</b>	<b>587,560</b>	<b>181,009</b>	<b>1,864,764</b>	<b>842,489</b>	<b>647,670</b>	<b>770,902</b>	<b>17,015,653</b>

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

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 29. Reconciliation between budget and statement of net assets

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

	2021 R	2020 R
<b>Operating activities</b>		
Actual amount as presented in the budget statement	3,000,000	7,025,000
Timing differences	(208,933)	(1,449,826)
<b>Net cash flows from operating activities</b>	<b>2,791,067</b>	<b>5,575,174</b>
<b>Investing activities</b>		
Actual amount as presented in the budget statement	(7,876,549)	(5,545,000)
Timing differences	5,846,787	(1,224,504)
<b>Net cash flows from investing activities</b>	<b>(2,029,762)</b>	<b>(6,769,504)</b>
<b>Net cash generated from operating, investing and financing activities</b>	<b>761,305</b>	<b>(1,194,330)</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 30. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following newly effective standards. Refer to the detailed disclosure on note 27, 28 and note 34

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

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

## 31. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

### 2021

	Financial assets at amortised cost	Total
<b>Figures in Rand</b>		
Receivables (ref note 6&7)	3,048,590	3,048,590
Cash and cash equivalents (ref note 9)	25,082,308	25,082,308
	<b>28,130,898</b>	<b>28,130,898</b>

### 2020

	Financial assets at amortised cost	Total
<b>Figures in Rand</b>		
Receivables (ref note 6)	4,178,468	4,178,468
Other receivables from non-exchange transactions (ref note 7)	974,848	974,848
Cash and cash equivalents (ref note 9)	24,321,003	24,321,003
	<b>29,474,319</b>	<b>29,474,319</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continue)

## 32. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2021

	Other financial liabilities	Total
<b>Figures in Rand</b>		
Payables (ref note 13)	4,344,532	4,344,532

2021

	Other financial liabilities	Total
<b>Figures in Rand</b>		
Payables (ref note 13)	5,823,774	5,823,774

## 33. Accounting by Principals and Agents

### SAQA as an agent

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

This project ended on 31 March 2021.

### Reconciliation of Balances

Opening Balance	159,876	273,031
Add: Income received	2,000,000	1,753,360
Less: Expenses incurred	(2,005,110)	(1,653,515)
Less: Income recognised	(154,766)	(213,000)
	-	159,876

## NOTES

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