ANNUAL REPORT
2022–2023

Leading for Growth, Service and Partnerships



MINING QUALIFICATIONS AUTHORITY

mineral resources & energy
Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

higher education & training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MINING QUALIFICATIONS AUTHORITY

ANNUAL REPORT FOR THE MINING QUALIFICATIONS AUTHORITY FOR THE 2022–2023 FINANCIAL YEAR

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MINING QUALIFICATIONS AUTHORITY (MQA) ANNUAL REPORT 2022–2023

HONOURABLE MINISTERS, IT IS A PLEASURE TO PRESENT YOU WITH THE ANNUAL REPORT OF THE MINING QUALIFICATIONS AUTHORITY FOR THE FINANCIAL YEAR

1 APRIL 2022 TO 31 MARCH 2023



Mr Gwede Mantashe
Minister of Mineral Resources and Energy



Dr Blade Nzimande
Minister of Higher Education, Science and Innovation



Mr David Msiza
Board Chairperson

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SECTION 1

GENERAL INFORMATION

1.1. PUBLIC ENTITY'S GENERAL INFORMATION

Registered name of the public entity: Mining Qualifications Authority (MQA)

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Ms Siphiwe Ngwenya
Managing Director
IKB Company Secretaries (Pty) Ltd

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1.2. ACRONYM LIST

4IR	Fourth Industrial Revolution
AET	Adult Education and Training
AGSA	Auditor-General South Africa
AMCU	Association of Mineworkers and Construction Union
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ARPL	Artisan Recognition of Prior Learning
ATR	Annual Training Report
AQP	Assessment Quality Partner
BEE	Black Economic Empowerment
B-BBEE	Broad-based Black Economic Empowerment
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
COO	Chief Operating Officer
CoS	Centre of Specialisation
CRM	Customer Relationship Management
CRMEO	Chief Risk Monitoring and Evaluation Officer
CSD	Central Supplier Database
CSIR	Council for Scientific and Industrial Research
DHESI	Department of Higher Education Science and Innovation
DHET	Department of Higher Education and Training
DMRE	Department of Mineral Resources and Energy
DQP	Development Quality Partner
EMCS	Executive Manager: Corporate Services
EMSR	Executive Manager: Stakeholder Relations
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction and Recovery Plan
EXCO	Executive Committee
FET	Further Education and Training
FLC	Foundational Learning Competence
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HDSA	Historically Disadvantaged South African
HET	Higher Education and Training
HEI	Higher Education Institution
HR	Human Resources
HRD	Human Resources Development
HRREMCO	Human Resources and Remunerations Committee
HVAC	Heating, Ventilation and Air Conditioning
ICT	Information and Communication Technology
IST	Inter-SETA Transfer
IT	Information Technology
ITIL	Information Technology Infrastructure Library
ITSC	Information Technology Steering Committee
M&E	Monitoring and Evaluation
MHSA	Mine Health and Safety Act
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act 2002 (Act 8 of 2002, as amended)
MQA	Mining Qualifications Authority
NATED	National Accredited Technical Education Diploma
NCV	National Certificate (Vocational)
NEDLAC	National Economic Development and Labour Council
NEHAWU	National Education, Health and Allied Workers' Union
NLRD	National Learner Records Database
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSFAS	National Student Financial Aid Scheme
NUM	National Union of Mineworkers
OFO	Organising Framework for Occupations
OHS	Occupational Health and Safety
OQSF	Occupational Qualifications Sub-Framework
OTC	Occupational Trades Convenor
PFMA	Public Finance Management Act

ACRONYM LIST

QAP	Quality Assurance Partner
QCTO	Quality Council for Trades and Occupations
QMR	Quality Management Report
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDA	Skills Development Act 1998 (Act 97 of 1998)
SDC	Skills Development Committee
SDF	Skills Development Facilitator
SDP	Skills Development Provider
SETA	Sector Education and Training Authority
SLA	Service-level Agreement
SMME	Small, Micro, Medium Enterprises
SRPC	Strategic Resource Planning Committee
SSP	Sector Skills Plan
TVET	Technical, Vocational, Education and Training
UASA	United Association of South Africa
UNISA	University of South Africa
UPS	Uninterrupted Power Supply
WSP	Workplace Skills Plan

1.3 VISION, MISSION, VALUES AND STRATEGIC OBJECTIVES

VISION

A competent health and safety-oriented mining and minerals workforce.

MISSION

To ensure that the mining and minerals sector has sufficient competent people to improve health and safety, entrench employment equity and increase productivity standards.

VALUES

The MQA subscribes to the following values:

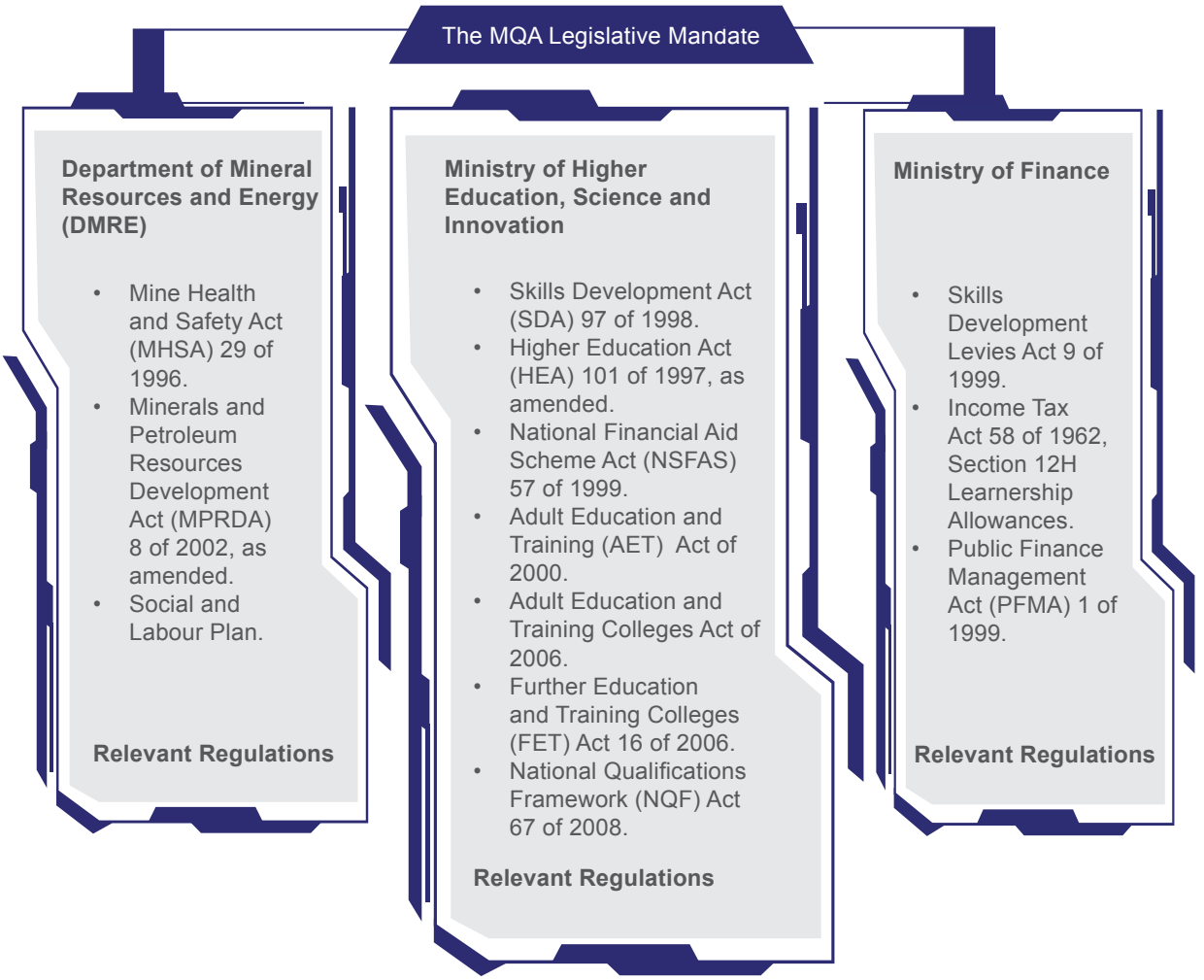
- Integrity
- Accountability
- Continuous learning
- Stakeholder orientation
- Respect
- Service excellence
- Value for money

STRATEGIC OBJECTIVES

1. Promote efficient and effective governance and administration.
2. Improve skills development planning and decision-making through research.
3. Promote work-based skills development to support transformation in the mining and minerals sector.
4. Facilitate access to occupationally directed learning programmes for the unemployed.
5. Support mine community training initiatives to access economic opportunities.
6. Ensure the delivery of quality learning programmes in the mining and minerals sector.

1.4. LEGISLATIVE AND OTHER MANDATES

The MQA is a Sector Education and Training Authority (SETA) that facilitates skills development under the Department of Higher Education, Science and Innovation. It supports mine health and safety under the Department of Mineral Resources and Energy (DMRE) for the mining and minerals sector. There are various pieces of legislation that govern the operations of the MQA. These are:



In addition to the legislations listed above, a number of national policy documents guide the development of skills in the sector; namely the National Skills Development Plan 2020–2030, the New Growth Path, the National Skills Accord, the Decade of the Artisan, the Mining and Minerals Sector Skills Plan (SSP), the King IV Report and the Code on Corporate Governance, the Protocol on Corporate Governance in the Public Sector (2002), the Companies Act 71 of 2008 and all the MQA policies and procedures.



Mr David Msiza
MQA Board Chairperson

1.5. STRATEGIC OVERVIEW BY THE BOARD CHAIRPERSON

On behalf of the governing Board of the Mining Qualifications Authority (MQA), it is my pleasure to present this annual report to the Honourable Minister of Higher Education, Science and Innovation, Dr Bonginkosi Nzimande; the Honourable Minister of Mineral Resources and Energy, Mr Gwede Mantashe; various industry stakeholders; employees; organised business and labour; as well as organisations in the mining and minerals sector; on the activities of the MQA during the 2022–2023 financial year.

In fulfilling its statutory mandate of administering skills development in the mining and minerals sector under the Skills Development Act 97 of 1998, the MQA continues to harness its mandate and to make strides in instituting a positive impact on the sector that it services, as well as on the communities that it serves, by applying sector specific skills development projects and interventions.

As a public entity, the organisation is also guided by National Treasury in terms of the Public Finance Management Act (No. 1 of 1999 as amended by Act 29 of 1999), whereby the MQA is required to ensure appropriate control measures are put into place that will preserve the organisation's ability to fulfil its mandate. This is achieved through the powers that have been assigned to the governing Board to exercise responsibility over the core functions of the MQA. Furthermore, the Board and the supporting Committees are fully functional and support the strategic mandate of the MQA in their respective operational and technical capacities.

This is further demonstrated through the following six strategic objectives that are aligned to the MQA's legislative mandate:

1. Promote efficient and effective governance and administration.
2. Improve skills development planning and decision-making through research.
3. Promote work-based skills development to support transformation in the mining and minerals sector.
4. Facilitate access to occupationally directed learning programmes for the unemployed.
5. Support mine community training initiatives to access economic opportunities.
6. Ensure the delivery of quality learning programmes in the mining and minerals sector.

The MQA's steadfast commitment to uphold good corporate governance principles in its operations, has maintained the achievement of a clean audit opinion for the 2022–2023 financial year, which has been acknowledged by the office of the Auditor General of South Africa (AGSA).

The MQA Audit and Risk Committee (ARC) exercised their fiduciary charge over identified risks and ensured that there are no deficiencies in internal controls during the period under review. The ARC's focus highlighted good corporate governance principles in the pursuit of sound financial management practices. The MQA's risk strategy and fraud prevention campaign including the MQA toll-free hotline, where the public and stakeholders can report fraudulent activities in absolute confidentiality,

continues to ensure sound monitoring of MQA activities.

The year under review also saw the appointment of Dr Thabo Mashongoane as the Chief Executive Officer (CEO) of the MQA, a position that he had previously acted in, ending 30 November 2022. This anticipated appointment of a CEO adds an enhanced level of credence to the stability and governance of the organisation.

I would like to congratulate Dr Thabo Mashongoane on behalf of the MQA Board and wish him great success in his new portfolio.

Highlights of the 2022–2023 financial year

It has been three years since the re-establishment of the Sector Education and Training Authority (SETA) landscape by the Department of Higher Education and Training, which commenced on 1 April 2020, and the MQA is still poised to deliver skills development initiatives that are aimed at charting a newly configured landscape.

Consequently, the MQA affirms its support for the following outcomes:

- **Outcome 1:** Identify and increase production of occupations in high demand
- **Outcome 2:** Link education and the workplace
- **Outcome 3:** Improve the level of skills in the South African workforce
- **Outcome 4:** Increase access to occupationally directed programmes
- **Outcome 5:** Support the growth of the public college system
- **Outcome 6:** Support skills development for entrepreneurship and cooperative development
- **Outcome 7:** Encourage and support worker-initiated training
- **Outcome 8:** Support career development services

The state of the unemployment rate in South Africa, which is due in part to the country's slow economic recovery following the devastation of the covid-19 pandemic in 2020 and 2021, remains a factor of great concern in the sector as this results in retrenchments that compromise the sector's value chain of supply and demand, as well as the sector's ongoing objective to remain profitable and viable.

This in turn results in the sector's limited capacity to provide learning opportunities to its employees and to also support the ongoing development of the skills of its employees. However, the MQA succeeded in accomplishing most of its set objectives despite these challenges, and positively administered various skills development related targets.

The year under review also brought an opportunity to cast a spotlight on the important role that artisans serve through the Centres of Specialisation (CoS) programme. This is a programme that has been originated by the Department of Higher Education, Science and Technology, which amongst its objectives seeks to contribute towards building the capacity of Technical Vocational Education and Training (TVET) colleges to deliver trade qualifications with employer partners. The MQA and stakeholders in the mining and minerals sector fully support the significance of this programme.

It is for this reason that on 5 August 2022, the MQA delegation honoured the invitation to attend the Mopani TVET College Artisan Recognition Ceremony open day, and to participate in the formal unveiling of the Phalaborwa Campus administration building, an event that was held at the Mopani TVET College. The highlight of the event was the recognition of the five (5) Centres of Specialisation qualified artisans, funded by the MQA, at a dinner that was hosted by Mopani TVET College on 4 August 2022. The five learners were recognised for being the first CoS-qualified artisans.

The MQA continues to offer its ongoing support to the DHESI's ongoing skills strategy that aims to provide support to SETAs in their roles of facilitators of skills development training.

As part of its ongoing plans, this skills strategy will target various groupings, including the unemployed youth; employed persons seeking to upgrade their skills; as well as individuals who will be decide on careers in occupations where there is a skills shortage.

As the department continues to prioritise work-based learning opportunities, the MQA is pleased to participate in the CoS programme, which seeks to augment these opportunities by engendering partnerships between TVET

colleges and employers in the mining and minerals sector.

I am encouraged that 44 out of 46 targets were achieved in the Annual Performance Plan (APP) making it 97% target achievement. The MQA achieved 103% of the discretionary grant expenditure, namely R1 154 439 billion spent from a budget of R1 118 070 billion. This is commendable as it implies that all efforts are made to ensure the skills development machine is working. All efforts are in place to ensure maximum learner uptake into programmes.

Transformation

The MQA supports the importance of broad-based-economic empowerment also known as the Mining Charter by executing various projects and initiatives that demonstrate the organisation's investment in communities that participate in the mining and minerals sector.

In the year under review the MQA experienced a noticeable increase in the number of beneficiaries from mining communities, who gained technical and non-technical skills by participating in various training programmes. This will culminate in the availability of skilled, employable human capital that will play a demonstrable role in improving the plight of mining communities.

The MQA is also beholden to the employers in the sector who have made their work spaces available, to allow an increased number of learners to undertake this imperative training.

Mandatory Grants

Mining companies irrespective of their size are required by legislation to submit an annual training report (ATR) and a workplace skills plan (WSP) to the Mining Qualifications Authority. The mandatory deadline date for the submission of WSPs and ATRs is 30 April annually.

During the year under review, employers in the sector responded positively whereby a record number of WSPs and ATRs were submitted by the deadline. This demonstrates the sector's assurance that a culture of continuous learning is sustained, and an informed profile of critical skills required within the sector is always available.

During the year under review out of a target of 800, a total of 810 companies submitted their WSP-ATRs with 761 being approved.

The MQA received R344 504 million from the mandatory levy income. A total of R297 627 million was disbursed for mandatory grant payments during the last financial year resulting in 86% of mandatory grants paid out. The MQA also invested in various projects that address the skills needs of the sector, and the results will inform the nature of interventions required to develop the sector.

As the MQA continues to review the skills needs of the sector, the organisation remains committed towards implementing a diverse number of projects that are appropriate to the sector and which address the evolving interventions required within the sector.

Discretionary Grants

During the 2022–2023 financial year, the MQA Board, in implementing its mandate, approved a total budget of R1 118 070 billion for discretionary projects, with R924 070 million as the opening balance of the commitments. The total spend for discretionary grants was R1 154 439 billion.

These projects are established with a focus of addressing the skills gaps identified in the Sector Skills Plan to fulfil the strategic goals of the MQA that are informed by the deliverables outlined in the NSDP.

The projects include various artisan (to support the increasing need for artisan trades) and non-artisan learning programmes, the occupational health and safety skills programme, bursaries, work experience, internships as well as projects to support historically disadvantaged individuals in their career progression within the sector.

Artisan Development and Support for Artisan Aides

The objectives of artisan development in the sector remain entrenched in the "Decade of the Artisan" campaign that is overseen by the Department of Higher Education, Science and Innovation, which is aimed at producing an increased number of skilled artisans annually, and to ultimately produce 30 000 artisans annually by the year 2030.

The MQA continues to support this campaign and during the reporting year, the sector responded positively by showing its support for the artisan development programmes, as demonstrated by the number of new learners that enrolled in and completed an artisan programme; further success was shown in the number of learners that successfully completed their Artisan Aides and Artisan Recognition of Prior Learning (RPL) programmes.

Technical Vocational Education and Training College Support

The MQA continued to position itself as a partner in supporting the skills development goals of Technical Vocational Education and Training (TVET) colleges in different regions to foster improved artisan skills.

During the year under review, TVET college lecturers were provided with workplace exposure to enhance the learning experience of TVET learners and advance their skills in artisan and non-artisan trades.

Occupational Health and Safety

Ensuring safety amongst employees in the mining and minerals sector remains a priority of the MQA, and the organisation reaffirms its commitment to support the principle of "Zero Harm" supported in the sector.

In 2022 there was a marked decrease in the number of mining related fatalities within the mining and minerals sector, where forty-nine (49) fatalities were reported, compared to seventy-four (74) fatalities that were reported in 2021.

This a welcome decrease, however, one life lost is still one too many.

We appeal to the sector and to all role players to be mindful that this number does not increase and encourage all efforts to be made to curb the loss of lives going forward.

Literacy Support for Continuous Learning

Literacy support is fundamental to skills development training, ensuring that all employees in the mining and minerals sector are progressively afforded superior learning opportunities. During the year under review, the continued engagements between the MQA and employers in the sector resulted in considerable support for the Adult Education and Training (AET), and the Foundational Learning Competency (FLC) programmes. This will ensure that all employees in the sector are afforded enough opportunities that will improve their skills levels and their growth within the mining and minerals sector.

Career Guidance and Support for Graduates

Career guidance remains a fundamental cornerstone in shaping the vocational choices of young maths and science learners. This underpins the MQA's commitment to support the mining and minerals sector's needs for transformation through skills development interventions that also targets the youth. In partnership with the DHESI and other government departments, the MQA continues to support guidance activities throughout the country.

During the year under review, the MQA participated in numerous career guidance exhibitions and events to learners in grades 9 to 12, to inform them about careers that are available in the sector. This is to ensure that young people are encouraged to pursue mining-related qualifications at public universities, universities of technology, and TVET colleges.

Additionally, the MQA provided work experience opportunities to undergraduate students at tertiary institutions which is vital in ensuring students attain their qualifications. The MQA also provided internship opportunities to graduates, which is required to assist graduates to secure job opportunities in the sector.

This was made possible by the positive support from employers in the sector to offer their workplaces as learning spaces that allow graduates to improve their prospects of gaining employment within the sector, and thus contributing to the objective of a transformed mining and minerals sector.

Revenue – Administration Budget

The MQA's income continues to remain stable. In the year under review, the revenue for the period ended 31 March 2023 the revenue increased from R175 237 million to R191 544 million. The total spend on administration costs increased from R124 362 million during 2021–2022 to R160 496 million

in the 2022–2023 financial year. The budget for the year was R163 537 million.

Challenges

The prevailing, slow growth of South Africa's economy continues to be of great concern especially towards the country's ability to overcome the rate of unemployment amongst the employable youth of the country.

The MQA will continue to engage with key role players, to ensure that measures are in place to support ongoing skills development in the sector.

Support should also be extended to learners currently enrolled in various MQA learnerships, to encourage them to complete this valuable training that will assist in their quest to achieve employability.

Appreciation

To the Ministers of the Mineral Resources and Energy, and of the Higher Education, Training, Science and Innovation, I extend my sincere gratitude for the support and diligent manner in which the MQA's mandate was executed during the reporting year.

I also extend my gratitude to members of the MQA Board, the Audit and Risk Committee, the Remuneration Committee, for providing rigorous oversight and guidance during the year under review which has contributed to the organisation's ability to remain on its set trajectory.

I also like to commend the employer, the labour and community organisations, for instilling their confidence in the MQA, and for their continued support during the various stakeholder engagements.

My sincere gratitude is lastly extended to the MQA employees for their stellar performance and support in implementing the mandate of the organisation, which inevitably contributes towards the consistent success of the organisation. It is this commitment to service delivery and efforts for increased improvement that will ensure the MQA continues to be a vehicle for accelerated skills development training for the mining and minerals sector.

As we navigate the demands of an increasingly changing world, the MQA Board would like to assure the sector of the MQA's firm support in ensuring that accessible, quality learning delivery remains at the forefront of the organisation's goals.



Mr David Msiza
Chairperson of the MQA Board
31 July 2023



Dr Thabo Mashongoane
Chief Executive Officer

1.6. OPERATIONAL OVERVIEW CHIEF EXECUTIVE OFFICER

As the Chief Executive Officer of the Mining Qualifications Authority (MQA), I am proud to submit the performance overview of the organisation, for the period 1 April 2022 to 31 March 2023 to the various MQA stakeholders and the organisation's governing structures.

During the year under review, the MQA continued to espouse its duties as a skills development administrator for the mining and minerals sector, a critical role that is spearheaded by the organisation's mandate to deliver quality learning programmes for the sector, which also resulted in the organisation achieving a positive outcome of a clean audit opinion for the 2022–2023 financial year.

I present this report at a time when the world is still recovering from the after-effects of a global pandemic that, while showing signs of having decreased or having disappeared, the country finds itself still grappling with the aftermath as demonstrated through the slow performing economy.

In spite of this challenge of reduced economic performance, the MQA and the sector at large provided the necessary support to its learners which resulted in the delivery of quality learning, while ensuring the health and safety of all its stakeholders.

In keeping with the principles of sound corporate governance, the MQA is anticipating an enhancement of its current executive management structure with the envisaged appointment of a key position, namely that of the Chief Operating Officer. The appointment should be finalised within the new financial year.

In addition to that, the MQA reiterates this commitment as a demonstration of its adherence to the organisation's six (6) strategic objectives, which provide the cornerstone for the MQA's vision, mission, and values for a safe, healthy, and adequately skilled mining workforce.

Annual Performance Information

The Mining Qualifications Authority, during the year under review, was not immune to the effects of the slow economic recovery that was largely impacted by the direct consequence of the global pandemic.

However, despite this and other related challenges which the organisation faced, the MQA was able to implement the majority of its core skills development projects, thereby attaining positive results with reference to performance targets that were set out in the MQA's annual performance agreement that was concluded with the Department of Higher Education, Science and Innovation (DHESI).

This was evidenced by the Mining Qualifications Authority achieving 44 out of the 46 indicators, which is 97% of the performance targets. It was due to this commitment that the MQA succeeded in delivering quality learning programmes for the sector which resulted in the organisation achieving the positive outcome of a clean audit report from the Auditor-General South Africa. The following is a representation of some of the organisation's noteworthy achievements that were attained in different skills development projects.

Occupational Health and Other Safety Skills Programme

The MQA supports the efforts of the DMRE that are aimed at ensuring high health and safety standards are upheld within the mining and minerals sector. This is attained through the provision of the Occupational Health and Safety (OHS) skills programme that is offered to employees in the sector. It is through this programme that the DMRE's objective to ensure a pool of skilled, qualified OHS representatives is accelerated, thus addressing the detrimental effects of mining related fatalities that can often result from unsafe working conditions in the sector.

During the year under review, the MQA exceeded this target of training mining and minerals sector employees in the OHS representative development and other safety related skills programmes, where a total of 3 972 employees completed the training programme against the set target of 3 500.

Research in the Sector

The genesis of the sector's training needs is catapulted by the research that is conducted by the Mining Qualifications Authority, and which also occupies a crucial position within the organisation's value-chain. Through information gathering efforts that are undertaken by the MQA, in collaboration with stakeholder companies within the sector, the MQA is able to identify and respond to the required training interventions and programmes.

The research initiatives which the MQA undertakes annually provide pertinent information that informs the identification and application of distinctive learning and training measures.

Information assembled through research mechanisms which include the workplace skills plans (WSP), the annual training reports (ATR) and the Sector Skills Plan (SSP), deliver a vital record of the sector as well as of the sector's employees.

In the year under review, a total of **810** workplace skills plans and annual training reports were received, exceeding the set target of 800 WSPs and ATRs to be submitted.

Career Guidance Support: Work Experience Training Intervention, Internship Training Programme

The high unemployment rate in the country is impacting negatively on the unemployed youth as well as unemployed graduates.

For this reason, requests for career guidance activities and materials from MQA stakeholders has increased in frequency. These career guidance activities afford the MQA with an invaluable avenue to reach and engage with young people about the remarkable career opportunities in the mining and minerals sector, that await young persons who excel at pure mathematics and physical science.

During the year under review, the MQA head office as well as the six regional offices succeeded in participating in **119** career guidance activities that spanned the breadth of the country, against the set target of 95.

The MQA's work experience programme has been devised to offer workplace training support to unemployed undergraduates. During the year under review, a total of **688** undergraduate students entered the training programme, against a set target of 600; additionally, a total of **562** students successfully completed their workplace experience training against the set target of 400.

The sector also responded positively by supporting the training efforts of National Certificate Vocational (NCV) students enrolled at Technical Vocational Education and Training (TVET) colleges. During the 2022–2023 financial year, a total of **596** NCV students entered a work placement programme against the set target of 500; furthermore, a total of **281** students completed their training against a set target of 100.

The MQA's internship programme is another vehicle that is aimed at benefiting young individuals by providing unemployed graduates with the supplemental work experience that can increase their chances of gaining employment within the sector. During the 2022–2023 financial year, a total of a total of **930** graduates, against the set target of 650, successfully entered this training programme.

Unemployed Youth Development: Bursary Funding for Employed and Unemployed Learners

The youth of South Africa account for the majority of the country's citizens, and in them resides the possibilities to drive the country to become matchless in its accomplishments.

However, it is often this group that suffers the most from the negative impact spurred by the rate of unemployment.

It is for this reason that the MQA is committed to investing in learning programmes and interventions that are aimed at responding to the incidence of unemployment amongst the youth, and especially the youth residing within mining communities and labour sending areas. A worthy intervention is the MQA's Youth Development Programme, which is aimed at supporting the youth located in mining communities in their quest to find and create employment opportunities by providing them with the requisite skills in various trades.

During the year under review, a total of **2 848** unemployed youth from mining communities and labour sending areas entered a training programme, against the set total of 2 100; and a total of **1 755** unemployed youth completed a training programme against the set target of 1 400.

The MQA supports the learning efforts of both employed and unemployed learners through its bursary scheme, to enable them to obtain mining related qualifications from public institutes of higher learning. During the reporting year, a total of **1 585** unemployed learners were supported with a bursary, against a set target of 750; furthermore, a total of **407** unemployed learners that were awarded a bursary, succeeded in completing their qualifications against a set target of 400.

The number of employed learners that were awarded a bursary was **61**, against the set target of 60.

Mine Community Development

As part of the MQA strategic objective to assist mining communities' access to employment opportunities, the MQA's Mine Community Development programme supports the call to develop learning and training initiatives that are focused on uplifting underprivileged beneficiaries that reside within communities where mining is prevalent, in order to grow and sustain the economy of these communities.

During the year under review, a notable total of **5 569** beneficiaries participated in the Mine Community Development programme, against the set target of 1 300. A total of **2 964** beneficiaries, out of the set target of 1 000, successfully completed the various training initiatives that fall within the scope of the mine community development programme.

Learnerships, Artisan and Non-artisan Development

During the year under review, the sector responded positively to the call to support employed and unemployed learners to participate in skills development opportunities that are delivered through the MQA's various learnership programmes.

During the year under review, a total of **552** employed learners were enrolled in various learnership programmes against the set target of 415.

To support unemployed learners to gain recognised qualifications, the mining and minerals sector was robust in supporting unemployed learners to undergo training offered through the MQA's learnerships programme. A total of **1 531** unemployed learners entered various learnership programmes, against a set target of 1 000. In addition to this, a total of **1 620** unemployed learners successfully concluded their learnership training against the set target of 675, which was an exceptional achievement.

The Recognition of Prior Learning (RPL) learnership provides an important avenue that bridges the gap that, at times, can result when highly skilled employees lack the necessary qualifications, due to circumstances that are beyond their control, a condition which can limit their progression and further development within the mining and minerals sector.

Therefore, through the RPL learnership employees are equipped with a qualification that is equivalent to their technical skills. To this end, a total of **51** employed learners successfully completed their recognition of prior learning (RPL) training during the 2022–2023 financial year, against the set target of 35.

The MQA's artisan development programme pursues the DHESI's initiative to produce an increased number of qualified artisans each year.

During the 2022–2023 financial year, a total of **1 522** learners entered an artisan programme, against the set target of 1 000; furthermore **670** learners, against a set target of 500, completed their artisan training. In addition to that, a total of **63** learners completed their artisan RPL training against a set target of 50. The artisan aide programme also received great support from stakeholders in the sector, where a total of **446** learners completed their training against a set target of 200.

Management and Executive Development Programme

The sector supported various employees through the Management Executive Development Programme (MEDP), which creates a platform that allows employees to develop management skills and exemplifies one approach towards realising the goal of a transformed sector.

During the 2022–2023 financial year, a total of **210** employees entered the programme against the set target of 150; and a total of **137** successfully completed the programme, against a set target of 70.

Lecturer Support

One of the MQA's values, that of continuous learning, is extended to the sector through the support offered to further education and training lecturers to provide them with lifelong skills. This is why during the year under review, a total of **40** TVET lecturers were capacitated with sector focused training, against the set target of 20. Furthermore, a total of **41** historically disadvantaged South African lecturers that work within higher education and training were entered into a lecturer development programme, against the set target of 13.

Stakeholder Capacity Building

The MQA provides stakeholder capacity building training to ensure that the sector has a sufficient number of experts that are adept at collecting, assessing, and providing critical information pertaining to the training needs of the sector.

During the year under review, a total of **20** Skills Development Facilitators (SDFs) capacity building workshops were hosted against the set target of 15. And a total of **27** skills development committee (SDC) workshops were also hosted, against the set target of 25.

Support for Literacy in the Sector

Literacy support in the sector remains key in promoting the pursuit of learning amongst previously disadvantaged adult learners within the mining and minerals sector.

During the 2022–2023 financial year, a total of **1 661** learners against the set target of 1 550 successfully completed their level 1–4 Adult Education and Training (AET) and National Accredited Technical Education Diploma (NATED) courses.

A further **289** learners successfully completed their Foundational Learning Competence (FLC) training against the set target of 250.

Challenges

Although it is noteworthy that the uptake of employed and unemployed learners into learnership programmes remained positively high, it is unfortunate that there was an insufficient number of employed learners that successfully completed their training provided through various MQA learnership programmes. We urge the sector and other stakeholders to come together to ensure that unemployed learners are given the necessary support and encouragement to assist them to complete their training, and thus gain skills that will assist them in gaining employment.

It also of great concern that out of the envisaged target of 250, only 237 beneficiaries were successfully trained in small-scale mining interventions. The MQA will continue to engage stakeholders to devise means to elevate this training programme that is targeted at beneficiaries living in mine communities and labour sending areas, including employees facing retrenchments or employees already retrenched/laid-off.

While the rate of retrenchments is influenced by the economic developments within the country, the MQA will remain party to finding sustainable, viable training solutions in response to job losses in the sector.

Appreciation

To the Honourable Minister of Higher Education, Science and Innovation, Dr Bonginkosi Blade Nzimande; the Honourable Minister of Mineral Resources and Energy Mr Gwede Mantashe; and the Chairperson of the MQA Board, Mr David Msiza, I would like to express my heartfelt gratitude for entrusting me with the responsibility to direct this capable organisation.

The immense contribution provided by various stakeholders in the mining and minerals sector remains at the cornerstone of the MQA's achievements during the previous financial year. These include the DHESI, DMRE, the MQA Board and standing committees, as well as employers and labour organisations in the sector. The steady performance of the organisation is a result of the invaluable feedback received during various stakeholder engagements.

The MQA's exceptional achievement and successes are attributed to the exceptional dedication and commitment demonstrated by the MQA's management and staff members.

As we continue to elevate the profile of the mining and minerals sector, I would like to urge all stakeholders to continue to partner with the MQA to ensure the sector remains transformative, innovative, as well as successful for all stakeholders who participate in and contribute to this dynamic industry.

The MQA remains diligent and committed to the health, safety and wellness of our mining and minerals sector, and will remain steadfast in providing ongoing support to our stakeholders.



Dr Thabo Mashongoane
Chief Executive Officer
31 July 2023

1.7. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

As the Chief Executive Officer (CEO) of the MQA, I confirm that to the best of my knowledge and belief:

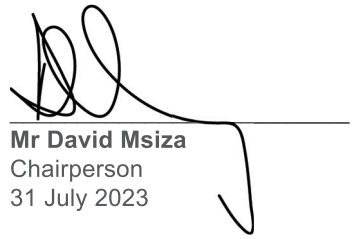
- all information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General;
- the Annual Report is complete, accurate and is free from any omissions;
- the Annual Report has been prepared in accordance with the guidelines as issued by National Treasury;
- the Annual Financial Statements (Section 10) have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) that are the standards applicable to the public entity;
- I accept that as the Accounting Authority I am responsible for the preparation of the Annual Financial Statements and the MQA performance information, as well as for the judgements made on this information; and
- as the Accounting Authority, I am also 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 MQA Annual Financial Statements (pages 99 to 145) and the performance information (pages 31 to 41) approved by the MQA Board for the year ended 31 March 2023, have been examined by the external auditors to express an independent opinion and their report is presented on page 92 of this report.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the MQA for the financial year ended 31 March 2023.



Dr Thabo Mashongoane
Chief Executive Officer
31 July 2023



Mr David Msiza
Chairperson
31 July 2023

EXECUTIVE STRUCTURE



Dr Thabo Mashongoane
(Acting) Chief Executive Officer
1 March 2022 to 30 November 2022

Chief Executive Officer
1 December 2022 to 31 March 2023



Ms Bridgette Mathebula
(Acting) Chief Operating Officer
1 April 2022 to 31 March 2023

- Strategic Planning
- Skills Development and Research
- Learning Programmes: Operational Projects
- Learning Programmes: Strategic Projects
- Quality Assurance



Mr Tshepo Tsotetsi
(Acting) Executive Manager
Stakeholder Relations
1 April 2022 to 31 March 2023

- Regional Support: Eastern Cape and Western Cape
- Regional Support: Free State
- Regional Support: Limpopo
- Regional Support: Mpumalanga and KwaZulu-Natal
- Regional Support: Northern Cape
- Regional Support: North West



Mr Bethuel Nemagovhani
Chief Risk Monitoring and Evaluation Officer
14 August 2017 to 31 March 2023

- Monitoring and Evaluation
- Risk and Fraud Administration



Ms Lebogang Matlala
Chief Financial Officer
1 March 2022 to 31 March 2023

- Financial Management
- Supply Chain Management
- Information Technology



Mr Mashudu Mavhungu
Executive Manager
Corporate Services
1 May 2021 to 31 March 2023

- Corporate Governance
- Customer Service and Communication
- Human Resources
- Legal and Governance
- Facilities and Office Management

Permanent appointments **Acting appointments**

SECTION 2

CORPORATE GOVERNANCE INFORMATION

2.1. CORPORATE GOVERNANCE

Corporate governance guides the processes and systems which are essential for managing the organisational efficiency and effectiveness of the MQA in line with the relevant and applicable prescripts. The MQA ensures that its policies, processes, procedures, and practices are routinely examined for consistency with pertinent legal provisions in accordance with corporate governance principles. The organisational strategies, policies, and procedures' parameters are enhanced, allowing MQA to use its resources effectively and efficiently.

A Service Level Agreement (SLA) is concluded annually between the MQA and the Department of Higher Education and Training. This agreement contains key performance indicators and outcomes expected by the stakeholders in line with the protocol for corporate governance in the public sector.

The Board provides strategic direction and leadership, determines goals and objectives of the MQA, and approves key policies, financial objectives, plans, goals, and strategies. The MQA Constitution, the Board Charter, and the Terms of Reference for all standing committees are aligned to the principles incorporated in the Code of Corporate Practices and Conduct in the King Code reports. The Board's standing committees play a critical oversight role that creates an enabling environment for the achievement of organisational goals.

The Corporate Services unit provides support to the MQA Management, staff, and Stakeholders in the execution of the organisational legislative mandate which is aimed at facilitating Skills Development in terms of the Skills Development Act.

The manner in which the MQA executes its mandate displays a satisfactory level of maturity of its Corporate Governance framework. The MQA is therefore proud to be an organisation whose values are embedded in the principles of good corporate governance.

2.2. GOVERNANCE STRUCTURES

In the execution of its oversight function, the Board is assisted by five standing Committees that provide strategic support:

- Audit and Risk Committee (ARC)
- Remunerations Committee (REMCO)
- Finance Committee (FINCOM)
- Governance and Strategy Committee (GSC)
- Executive Committee (EXCO)

2.3. BOARD STRATEGIC PLANNING SESSION

The strategic planning process forms a critical aspect within any organisation as it is aimed at ensuring impeccable delivery on its strategic objectives. It is in line with this phenomenon that the MQA Board held its strategic session on 25–26 August 2022 with the purpose of reviewing the strategic direction, assessing internal and external challenges, providing direction and producing the Annual Performance Plan of the organisation.

The Strategic Planning Session also enabled the Board to deliberate on various policy initiatives aimed at streamlining operational processes for efficiency and effectiveness.

2.4. EXECUTIVE COMMITTEE (EXCO)

EXCO meets on a monthly basis to deliberate on reports that are submitted to the Board Committee as per recommendation by the EXCO members.

2.5. THE ACCOUNTING AUTHORITY/ BOARD

The final responsibility for the future of the company depends on the Board as they provide guidance and direction in which the company is to be led.

Sections 50 and 51 of the Public Finance Management Act (PFMA) 1 of 1999 as amended by Act 29 of 1999, stipulates that the Accounting Authority must accept the fiduciary duties in writing.

2.6. BOARD'S RESPONSIBILITIES

The Board is responsible for:

- the strategic direction of the company and the control of the company;
- the values to which the company will adhere as formulated in its code of conduct;
- ensuring that its conduct and that of

Management aligns to the values and is adhered to in all aspects of its business; and
- promoting the stakeholder inclusive approach of governance.

2.7. BOARD CHARTER

The charter is approved by the Accounting Authority and the Board ensures there is compliance with the charter.

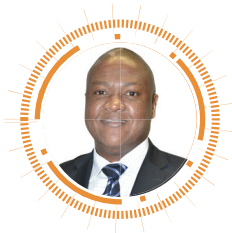
2.8. REMUNERATION OF THE BOARD

Remuneration of the Board is determined by the National Treasury Rates. Members from the Department of Mineral Resources and Energy are not entitled to remuneration as they are employees of the state entity. Members of the Board are reimbursed for their travel and the rate per kilometre is determined by the South African Revenue Service (SARS).



From top left to bottom left: Mr Olehile Kgware; Mr Franz Stehring; Mr Reuben Gibb Motlou; Mr Mthokozisi Zondi; Mr Tshepo Tsotetsi; Mr Mashudu Mavhungu; Mr Bethuel Nemagovhani; Ms Maboswaneng Malaza; Ms Lebogang Matlala; Dr Kenneth Netshiombo; Ms Sanelisiwe Dlamini-Mthethwa; Dr Thabo Mashongoane; Ms Anne Atlee; Adv Johanna Jansen Van Vuuren; Ms Bridgette Mathebula; Ms Tshepo Tlhapane; Ms Elsabé Howes

Not in photograph:



Mr David Msiza



Mr Viwe James

2.9. OVERVIEW OF THE BOARD AND STANDING COMMITTEES' ROLES AND RESPONSIBILITIES

	NAME	FUNCTION	COMPOSITION	QUORUM	CHAIRPERSON	SECRETARY	MEETING
1.	MQA Board	Composes the Accounting Authority policy, strategies and allocates resources.	Chairperson of the Board, five representatives for Employers, six representatives for Labour, one representative for State, one representative for Community.	Three stakeholder groups present.	Chief Inspector of Mines	External Service Provider.	Quarterly
2.	Executive Committee (EXCO)	Oversees management and delegates Board tasks.	Chairperson of the Board, two representatives for Employers, two representatives for Labour, CEO, COO, CFO, Executive Manager of Corporate Services (EMCS), Chief of Risk Monitoring and Evaluation (CRMEO), Executive Manager of Stakeholder Relations (EMSR).	One stakeholder present.	Chief Inspector of Mines	External Service Provider.	Monthly
3.	Audit and Risk Committee (ARC)	Advises on the effectiveness of financial management systems and controls in terms of the PFMA.	Three external representatives, one representative per stakeholder group, representative from internal auditors, one representative from external auditors, CEO, COO, CFO, EMCS, CRMEO, EMSR.	Two stakeholders from different stakeholder groups and one external representative present.	External representative	External Service Provider.	Quarterly
4.	Finance Committee (FINCOM)	Advises on budget, financial control of projects and grants, levy grant disbursement.	Two representatives per stakeholder group, CEO, COO, CFO, EMCS, CRMEO, EMSR.	Two stakeholder groups present.	Board member	External Service Provider.	Quarterly
5.	Governance and Strategy Committee (GSC)	Assists with development of policies, principles, criteria and guidelines necessary for the Governance function of the SETA. Promotes good governance and develops the Skills Development Strategy for the Sector.	Two representatives per stakeholder group.	Two stakeholder groups present.	Board member	External Service Provider.	Quarterly
6.	Remunerations Committee (REMCO)	Oversees the implementation of a Remuneration Framework for the MQA.	Three external representatives, one representative per stakeholder group, CEO, COO, EMCS, CFO, CRMEO, EMSR.	One stakeholder and one external representative present.	External representative	External Service Provider.	Quarterly

2.10. BOARD MEMBER COMPOSITION

The MQA Board comprises representatives from the state, employers, labour and communities.

CHAIRPERSON



Mr David Msiza
CHAIRPERSON

STATE



Mr Mthokozisi Zondi
DEPARTMENT OF MINERAL RESOURCES AND ENERGY

EMPLOYERS



Ms Breggie Elizabeth Howes
IMPALA PLATINUM



Ms Maboswaneng Malaza
HARMONY



Mr Reuben Gibb Motlou
THARISA MINE



Ms Sanelisiwe Dlamini-Mthethwa
TRONOX



Ms Sheridan Rogers
PETRA DIAMONDS

LABOUR



Ms Anne Atlee
NATIONAL UNION OF MINEWORKERS



Mr Franz Stehring
UASA THE UNION



Adv Johanna Jansen Van Vuuren
SOLIDARITY



Mr Olehile Kgware
NATIONAL UNION OF MINEWORKERS



Ms Tshepo Tlhapane
NATIONAL UNION OF MINEWORKERS



Mr Viwe James
NATIONAL UNION OF METAL WORKERS OF SOUTH AFRICA

COMMUNITY



Dr Kenneth Netshiombo
TSHWANE UNIVERSITY OF TECHNOLOGY

2.11. BOARD MEMBER MEETING ATTENDANCE

	MEMBER	ORGANISATION	CONSTITUENCY	MEETING DATES											
				30 May 22	13 Jun 22	29 Jul 22	24 Aug 22	25 Aug 22	26 Aug 22	26 Oct 22	11 Nov 22	25 Nov 22	24 Feb 23	08 Mar 23	Total
1	D. Msiza***	DMRE – Pretoria	State	√	√	√	√	√	√	√	√	√	√	X	10
2	M. Zondi*	DMRE – Pretoria	State	√	√	√	√	√	√	√	√	√	√	√	11
3	K. Netshiombo*	TUT	Community	√	√	√	√	√	√	√	√	√	√	√	11
4	G. Motlou**	Tharisa Mine	Employer	√	√	√	√	√	√	√	√	√	√	√	11
5	M. Malaza*	Harmony	Employer	√	√	√	√	√	√	√	√	√	X	√	10
6	S. Rogers**	Petra Diamonds	Employer	√	√	√	√	√	√	√	√	X	√	√	10
7	S. Dlamini-Mthethwa*	Tronox	Employer	√	√	√	√	√	√	√	√	√	√	√	11
8	E. Howes*	Impala Platinum	Employer	√	√	√	√	√	√	√	√	√	√	√	11
9	F. Stehring**	UASA	Labour	√	√	√	√	√	√	√	X	√	√	√	10
10	O. Kgware**	NUM	Labour	√	√	√	√	√	√	√	√	√	√	√	11
11	A. Atlee*	NUM	Labour	√	√	√	√	√	√	√	√	√	√	√	11
12	T. Tlhapane*	NUM	Labour	√	√	√	√	√	√	√	√	X	√	√	10
13	V. James*	NUMSA	Labour	√	√	√	√	√	√	√	√	√	√	√	11
14	H. Jansen van Vuuren*	Solidarity	Labour	√	√	√	√	√	√	√	√	√	√	√	11

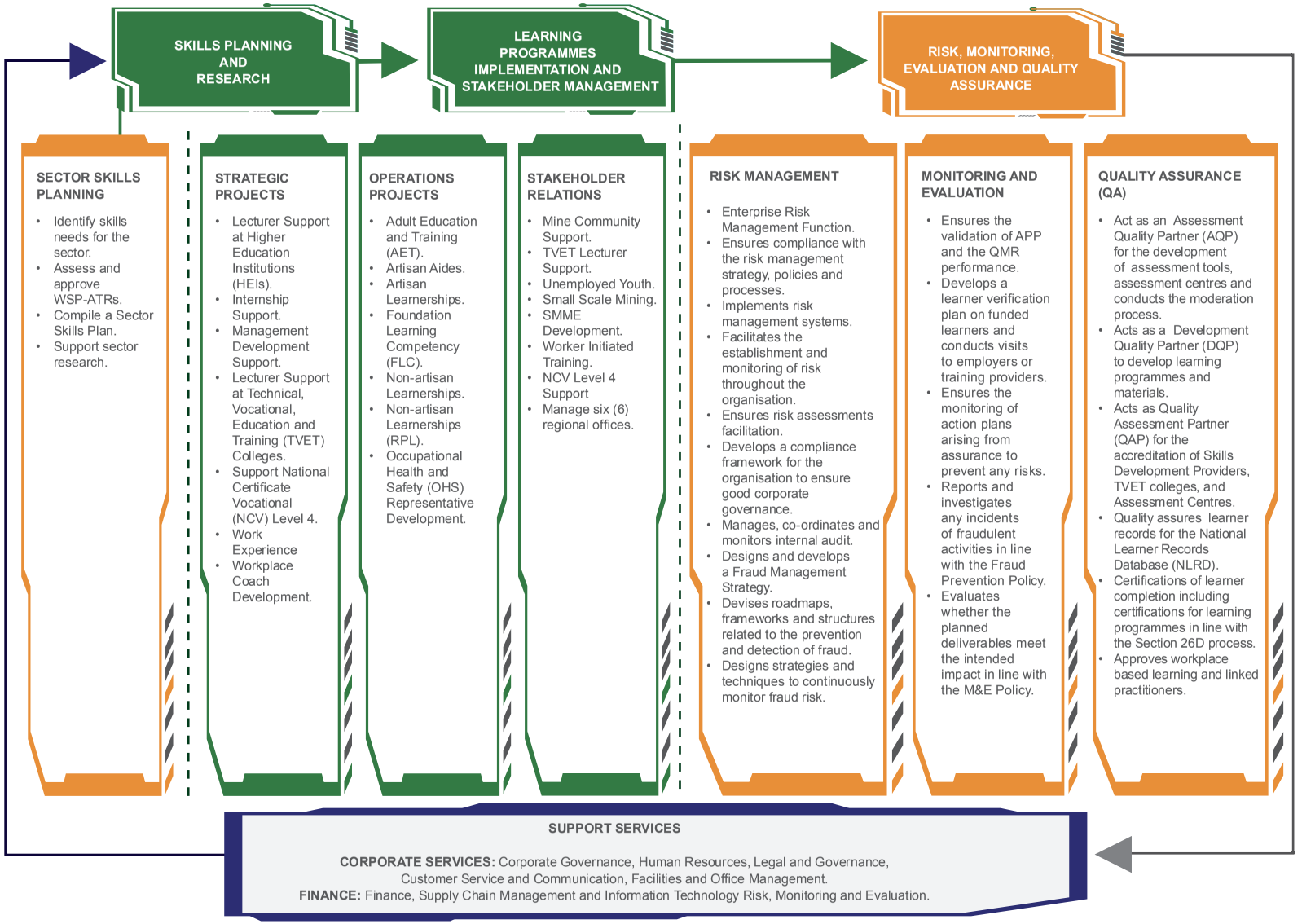
*** Chairperson
** EXCO
* Members

SECTION 3

PERFORMANCE INFORMATION

3.1. MQA VALUE CHAIN

The MQA follows a simple yet effective value chain approach to skills development in the mining and minerals sector.



3.2. THE MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD

THE MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

During the 2022–2023 financial year, the MQA implemented various projects and initiatives in support of the broad-based socio-economic empowerment charter known as the Mining Charter.

The Mining Charter sets out the following objectives:

a) To promote equitable access to the nation's mineral resources to all the people of South Africa;
b) To substantially and meaningfully expand opportunities for historically disadvantaged South Africans (HDSAs) to enter the mining and minerals industry and to benefit from exploration of the nation's mineral resources;
c) To utilise and expand the existing skills base for the empowerment of HDSAs and to serve the community;
d) To promote employment and advance the social and economic welfare of mine communities and major labour sending areas;
e) To promote beneficiation of South Africa's mineral commodities; and
f) To promote sustainable development and growth of the mining industry.

In addition, the Mining Charter has the following elements:

a) Ownership;
b) Procurement and enterprise development;
c) Beneficiation;
d) Employment equity;
e) Human resource development;
f) Mine community development;
g) Housing and living conditions;
h) Sustainable development and growth of the mining industry; and
i) Reporting (monitoring and evaluation).

The MQA's support for the Mining Charter objectives and elements during the reporting period included:

BENEFICIATION SUPPORT

The MQA continued to support the training of learners in the diamond processing and jewellery manufacturing disciplines and funding a total of **1 023** learners entering and **1 167** learners completing programmes in these disciplines in the year under review. A total of **269** learners who entered are learners with disability. A total of **570** learners who completed are learners with disability.

HUMAN RESOURCE DEVELOPMENT

The MQA provided **20** virtual capacity building workshops to provide capacity to Skills Development Facilitators (SDFs), **27** workshops were conducted to support Skills Development Committee (SDC) members. Participants to these workshops are made up of past and current SDFs from within the sector as well as members from organised labour groups.

The participants are kept informed of the WSP-ATR process, including MQA and Government requirements to encourage participation in the process. The workshops also create awareness around human resource best practices, skills development and the need for a harmonious relationship between employers and labour. This was achieved through partnership with the MQA regional offices and the overwhelming support from the sector.

MINE COMMUNITY DEVELOPMENT SUPPORT

The MQA supported various mining communities and labour sending areas, focusing mainly on ex-miners, retrenched and soon to be retrenched workers, with skills development initiatives. These programmes were not restricted to mining skills but also included training in portable skills such as plant/poultry/livestock production, SME Operator-Shelf Filler, new venture creation, mixed farming systems, SMMEs development, clothing manufacturing, crop farming, surface mining, domestic installation, solar water heating, electrical, carpentry, and painting. A total of **R72 million** was disbursed for mine community support.

In addition, **237** community learners were supported with small scale mining skills. Due to covid-19 restrictions, there were no career guidance activities conducted in rural mining communities to highlight career opportunities in the mining and minerals sector, but rather career guidance material was distributed to a total of **119** schools and institutions

HISTORICALLY DISADVANTAGED SOUTH AFRICA (HDSA) SUPPORT

The MQA continued supporting **41** HDSA lecturers at universities and **40** HDSA TVET lecturers. **137** HDSA were supported and completed their management development programmes. The MQA also funded **1 585** undergraduate bursaries in disciplines related to the mining and minerals sector. These bursaries are targeted at previously disadvantaged learners in rural communities.

The MQA increased its Black Economic Empowerment (BEE) level 1–4 spend to **97.84%** of service providers and vendors providing services to the SETA.

A number of other projects and initiatives in the MQA strategic plan supported the Mining Charter. These include programmes and projects in artisan development, core learnerships, skills development, maths and science, work experience, internships, adult education and training (AET), recognition of prior learning (RPL), occupational health and safety (OHS) and other Health and Safety Programmes (Trackless Mobile Machine Operations and Underground Hardrock V5). These initiatives support objectives and elements such as employment equity and human resources development.

3.3. ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

Performance against targets agreed with the Department of Higher Education and Training.

Disclaimer: Refer to the signed Annual Performance Report (APR) for Performance Information.

Service Level Agreement Performance

Number of targets agreed upon	Number of targets not met	Number of targets achieved
44	1	43
100%	2%	98%

Summary of Annual Performance Plan Achievement

Number of targets agreed upon	Number of targets not met	Number of targets achieved
46	2	44
100%	4%	97%

Summary of Discretionary Grants Budget Achievement

Annual Budget	Total Expenditure	Percentage Expenditure
R1 118 069 596,36	R1 154 439 000,00	103%

The MQA identified four (4) programmes in line with its six (6) strategic objectives, supported by the ten (10) NSDP outcomes which are crucial to the achievement of its skills development mandate, as well as its operational efficiency:

Programme		Strategic Objective		NSDP Outcome	
PROGRAMME 1	Administration	STRATEGIC OBJECTIVE 1:	Ensure efficient and effective governance and administration.	NSDP OUTCOME 9:	Effective corporate governance maintained.
PROGRAMME 2	Skills Planning and Research	STRATEGIC OBJECTIVE 2:	Improve skills development planning and decision-making through research.	NSDP OUTCOME 1:	Identify and increase production of occupations in high demand.
PROGRAMME 3	Learning Programmes	STRATEGIC OBJECTIVE 3:	Promote work-based skills development to support transformation in the mining and minerals sector.	NSDP OUTCOME 2:	Link education and the workplace.
				NSDP OUTCOME 3:	Improve the level of skills in the South African workforce.
		STRATEGIC OBJECTIVE 4:	Facilitate access to occupationally directed learning programmes for the unemployed.	NSDP OUTCOME 4:	Increase access to occupationally directed programmes.
		STRATEGIC OBJECTIVE 5:	Support training initiatives in mine communities.	NSDP OUTCOME 6:	Support skills development for entrepreneurship and cooperative development.
				NSDP OUTCOME 7:	Encourage and support worker-initiated training.
				NSDP OUTCOME 8:	Support career development services.
				NSDP OUTCOME 10:	Number of rural development projects initiated.
PROGRAMME 4	Quality Assurance	STRATEGIC OBJECTIVE 6:	Ensure the delivery of quality and impactful learning programmes in the mining and minerals sector.	NSDP OUTCOME 4:	Increase access to occupationally directed programmes.
				NSDP OUTCOME 5:	Support the growth of the public college system.

PROGRAMME 1: ADMINISTRATION								
Strategic Objective 1: Promote efficient and effective governance and administration								
Strategic Objective 6: Ensure the delivery of quality and impactful learning programmes in the mining and minerals sector								
Strategic Objective 5: Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
1.1	NSDP Outcome 9	Unqualified audit outcome.	Unqualified audit outcome with no material findings.	Unqualified audit outcome	Clean audit outcome	None		None; annual target met.
1.2	NSDP Outcome 9	Achievement of 90% spend on BBBEE level 1–4 suppliers (of goods and services).	100%	90%	97.84%	7.84%		Target exceeded due to increased use of level 1–4 BBBEE suppliers.
1.3	NSDP Outcome 9	One customer satisfaction survey conducted biennially and 75% customer satisfaction.	One customer satisfaction survey conducted biennially and 75% customer satisfaction.	N/A	N/A	N/A		Target is set biennially. There is no target for 2022/23 financial year.
1.4	NSDP Outcome 2, 3, 6, 7 and 10	Percentage of the learner verification of MQA projects that are monitorable and supported through periodical discretionary grant funding.	100%	100%	100%	0%		Target exceeded due to increased number of site visits conducted.
1.5	NSDP Outcome 2, 3, 6, 7 and 10	Number of MQA projects evaluated per annum (Value for Money analysis conducted).	3	3	3	0%		None; annual target met.
1.6	NSDP Outcome 9	Implementation of Change Management Strategy Recommendations/ Priorities for the MQA.	100%	30% of Change Management priorities implemented.	30%	0%		None; annual target met.

PROGRAMME 2: RESEARCH								
Strategic Objective 2: Improve skills development planning and decision-making through research								
Strategic Objective 5: Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
2.1	NSDP Outcome 1	Number of workplace skills plans (WSPs) and annual training reports (ATRs) evaluated to access mandatory grants per annum.	787	800	810	10		Target exceeded; effective communication with stakeholders coupled with effective and timely technical support enabled more stakeholders to submit.
2.2	NSDP Outcome 1	Number of sector research outputs completed per annum.	3	6	6	0		Target met
2.3	NSDP Outcome 1 and 3	Number of MoAs signed with targeted public and private sector organisations.	3	3	4	1		Target exceeded; some research partnerships were carried over from the previous financial year.
2.4	NSDP Outcome 1 and 3	Number of Skills Development Facilitator capacity building workshops per annum.	14 Workshops	15 Workshops	20 Workshops	5 Workshops		Target exceeded; WSP-ATR feedback sessions were introduced as part of capacity building workshops.
2.5	NSDP Outcome 1 and 3	Number of capacity building workshops conducted for Skills Development Committee members per annum.	23 Workshops	25 Workshops	27 Workshops	2 Workshops		Target exceeded; the number of requests received exceeded the target for the year.

PROGRAMME 3: LEARNING PROGRAMMES								
Strategic Objective 3: Promote work-based skills development to support transformation in the mining and minerals sector								
Facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes								
Support industry collaboration with the public college system								
Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
3.1a	NSDP Outcome 2, 3 and 4	Number of learners that enter an artisan programme per annum.	1 401	1 000	1 522	522		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.
3.1b	NSDP Outcome 2, 3 and 4	Number of learners that complete an artisan programme per annum.	526	500	670	170		Target exceeded; bigger pipelines (learners in the system) from the previous financial year/s due to over allocations to get more learners in training.
3.1c	NSDP Outcome 2, 3 and 4	Number of employees that complete artisan recognition of prior learning (ARPL) programmes per annum.	127	50	63	13		Target exceeded; bigger pipelines (learners in the system) from the previous financial year/s due to over allocations to get more learners in training.
3.1d	NSDP Outcome 2, 3 and 4	Number of learners that complete an artisan aides programme per annum.	327	200	446	246		Target exceeded; bigger pipelines (learners in the system) from the previous financial year/s due to over allocations to get more learners in training.
3.2a	NSDP Outcome 2, 3 and 4	Number of employees entering a learnership per annum.	510	415	552	137		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.
3.2b	NSDP Outcome 2, 3 and 4	Number of employees completing a learnership per annum.	351	703	246	-457		There was an insufficient number of learners that entered the programme in the previous financial year to complete during the year under review.

PROGRAMME 3: LEARNING PROGRAMMES								
Strategic Objective 3: Promote work-based skills development to support transformation in the mining and minerals sector								
Facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes								
Support industry collaboration with the public college system								
Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
3.2c	NSDP Outcome 2, 3 and 4	Number of unemployed learners entering a learnership per annum.	1 752	1 000	1 531	531		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.
3.2d	NSDP Outcome 2, 3 and 4	Number of unemployed learners completing a learnership per annum.	903	675	1 620	945		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.
3.2e	NSDP Outcome 2, 3 and 4	Number of employees completing RPL for learnership per annum.	33	35	51	16		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.
3.3	NSDP Outcome 2, 3 and 4	OHS Representative Development and other MQA approved Skills Programmes per annum.	4 318	3 500	3 972	472		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.
3.4	NSDP Outcome 2, 3 and 4	Number of learners that successfully complete AET and NATED courses.	1 499	1 550	1 661	111		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.
3.5	NSDP Outcome 2, 3 and 4	Number of learners that successfully complete FLC.	218	250	289	39		Target exceeded; additional budget added to the projects by Finance and over allocation to employers to create buffers for target achievement.

PROGRAMME 3: LEARNING PROGRAMMES								
Strategic Objective 3: Promote work-based skills development to support transformation in the mining and minerals sector								
Facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes								
Support industry collaboration with the public college system								
Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
3.6	NSDP Outcome 2, 3 and 4	Number of graduates that enter an internship programme per annum.	818	650	930	280		Target exceeded; high demand for internships from employer applications, as well as additional budget being approved and allocated to the project during budget review.
3.7a	NSDP Outcome 2, 3 and 4	Number of undergraduates that enter a workplace experience programme per annum.	550	600	688	88		Target exceeded; high demand from employers expressed through applications and allocation of additional budget.
3.7b	NSDP Outcome 2, 3 and 4	Number of undergraduates that complete a workplace experience programme per annum.	471	400	562	162		Target exceeded; high number of learners enrolled for vacation work and completed in the same year.
3.8a	NSDP Outcome 2, 3 and 4	Number of HDSA mining and minerals sector employees that enter a Management Development Programme per annum.	171	150	210	60		Target exceeded; high demand for Management Development Programmes from employers, as well as some of the programmes enrolled for costing less than what was budgeted for resulting in savings that enabled enrolment of additional learners.
3.8b	NSDP Outcome 2, 3 and 4	Number of HDSA mining and minerals sector employees that complete a Management Development Programme per annum.	130	70	137	67		Target exceeded; large number of learners enrolled for programmes and completed them in the same financial year, as well as a pipeline of learners registered in the previous year and completing in the current year.

PROGRAMME 3: LEARNING PROGRAMMES								
Strategic Objective 3: Promote work-based skills development to support transformation in the mining and minerals sector								
Facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes								
Support industry collaboration with the public college system								
Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
3.9	NSDP Outcome 2, 3 and 4	Number of HDSA HET lecturers that enter into a lecturer development programme per annum.	20	13	41	28		Target exceeded; high demand from institutions of higher learning and availability of funds, as well as reporting of continuing lecturers.
3.10	NSDP Outcome 2, 3 and 4	Number of HDSA mining and minerals sector learners that enter a candidacy programme per annum.	26	50	52	2		Target exceeded; high demand from the sector expressed through applications received for this project.
3.11	NSDP Outcome 2, 3 and 4	Number of coaches placed within workplaces to support employers with on-the-job mentoring and coaching activities per annum.	100	100	118	18		Target exceeded; high demand from the sector expressed through applications received for this project.
3.12a	NSDP Outcome 2, 3 and 4	Number of unemployed learners awarded a bursary per annum.	1 130	750	1 585	835		Target exceeded; high demand for bursaries from applications received for this project in the current financial year.
3.12b	NSDP Outcome 2, 3 and 4	Number of unemployed learners awarded a bursary completion per annum.	362	400	407	7		Target exceeded; pipeline of learners completed their studies in the current financial year.
3.13	NSDP Outcome 2, 3 and 4	Number of employed learners awarded a bursary per annum.	55	60	61	1		Target exceeded; number of applications received meeting the criteria for awarding of bursaries for employed learners and for creating a pool of bursaries to feed into the completion target.

PROGRAMME 3: LEARNING PROGRAMMES								
Strategic Objective 3: Promote work-based skills development to support transformation in the mining and minerals sector								
Facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes								
Support industry collaboration with the public college system								
Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
3.14a	NSDP Outcome 2, 3 and 4	Number of mine community beneficiaries entering a training programme per annum.	8 855	1 300	5 569	4 269		Target exceeded; huge demand expressed by applications in the 2022–2023 funding window.
3.14b	NSDP Outcome 2, 3 and 4	Number of mine community beneficiaries completing a training programme per annum.	3 515	1 000	2 964	1 964		Target exceeded; pipeline from 2021–2022 and 2022–2023 allocations.
3.15a	NSDP Outcome 2, 3 and 4	Number of unemployed youth in mining communities and labour sending areas entering training programmes per annum.	3 276	2 100	2 848	748		Target exceeded; additional allocations approved.
3.15b	NSDP Outcome 2, 3 and 4	Number of unemployed youth in mining communities and labour sending areas completing training programmes per annum.	3 505	1 400	1 755	355		Target exceeded; improved project monitoring lead to increase in reported completions.
3.16	NSDP Outcome 2, 3 and 4	Number of beneficiaries trained in small-scale mining per annum.	283	250	237	-13		Target not met; learners dropped out and didn't complete the programme.
3.17	NSDP Outcome 2, 3 and 4	Number of career guidance activities undertaken per annum.	128	95	119	24		95 career guidance activities undertaken per annum.

PROGRAMME 3: LEARNING PROGRAMMES								
Strategic Objective 3: Promote work-based skills development to support transformation in the mining and minerals sector								
Facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes								
Support industry collaboration with the public college system								
Facilitate training for stakeholders, communities and entrepreneurs								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
3.18a	NSDP Outcome 2, 3 and 4	Number of TVET NCV graduates entering a work placement programme per annum.	410	500	596	96		Target exceeded; need in the country to place TVET College NCV Level 4 learners to qualify as artisans.
3.18b	NSDP Outcome 2, 3 and 4	Number of TVET NCV graduates completing a work placement programme per annum.	216	100	281	181		Target exceeded; sufficient pipeline of learners registered for the programme and completed in the current year.
3.19	NSDP Outcome 2, 3 and 4	Number of TVET lecturers capacitated per annum.	0	20	40	20		Target exceeded; a significant number of TVET and CET colleges showed interest and enrolled lecturers to participate in the programme towards the end of previous financial year, creating a pool for completions to report in the year under review.
3.20	NSDP Outcome 2, 3 and 4	Annual International Literacy Day event hosted.	1	1	1	0		1 Event held.

PROGRAMME 4: QUALITY ASSURANCE, MONITORING AND EVALUATION								
Strategic Objective 6: Ensure the delivery of quality and impactful learning programmes in the mining and minerals sector								
Ref. No.	NSDP Outcome	Programme Performance Indicator	Actual Achievement 2021-2022	Planned Target 2022-2023	Actual Achievement 2022-2023	Deviation from Planned Target to Actual Achievement for 2022-2023	Dashboard	Comments on Deviation
4.1	NSDP Outcome 4 and 5	Number of training providers quality assured per annum.	212	130	174	44		Target exceeded; all Skills Development Providers (SDP) linked with occupational qualifications had to be audited before 30 June 2023.
4.2	NSDP Outcome 4	Number of reviewed or developed learning programmes/ assessment toolkits/ learning materials (packs or modules).	138	90	152	62		Target exceeded; more learning material packs than advertised were allocated and achieved.
4.3	NSDP Outcome 4 and 5	Number of HDSAs supported on primary accreditation as training providers for entry into the mining and minerals sector per annum.	5	4	4	0		None; annual target met.

3.4. SKILLS DEVELOPMENT AND RESEARCH (SDR)

This report captures the state of the SDR unit in terms of performance and the implementation of Programme 2 of the MQA Annual Performance Plan: Improve skills development planning and decision-making through research. It is the responsibility of the unit to manage the implementation of research and administer sectorial data by meeting the following expectations:

- Quality research (qualitative and quantitative)
- Trends analysis within the labour market
- Advise on skills shortages for the sector
- Information of national/regional needs and emerging areas
- Facilitate the disbursement of mandatory grants by the regulated timeframe
- Ensure quality of data received

Below is a reflection of the programmes (and annual performance in relation thereto) which the MQA committed itself to for the financial year under review.

3.4.1. ANNUAL PERFORMANCE UPDATE

Registration of mining and minerals sector companies with the MQA:

Inter-SETA Transfers	Progress to date
Allow companies to move from one SETA to another to ensure that companies are classified with correct/ preferred SETA especially in line with their core business.	There were six Inter-SETA transfers (ISTs) received during the period of reporting.
Levy-Payer Database Update	**Progress to date**
Update the MQA data management systems with the most recent employer file from the DHET and monitor ISTs through this process.	Monthly update of the MQA data management system was done. The MQA is awaiting the DHET April 2023 data file to monitor and update. The MQA continues to monitor the levy file for updates.

3.4.2. REVIEW THE SUBMISSION OF WORKPLACE SKILLS PLANS, ANNUAL TRAINING REPORTS AND SECTOR SKILLS PLAN

The WSP-ATR system went live on 4 March 2022. SDFs had access to register and submit their organisation's WSP-ATR. The MQA received 810 WSP-ATRs for the year 2022–2023 against a target of 800. The WSP-ATR evaluations have been concluded and the data is cleaned.

Provincial and size breakdown of submissions:

Province	Large	Medium	Small	Grand Total
Eastern Cape	4	3	9	16
Free State	8	6	8	22
Gauteng	62	62	142	266
KwaZulu-Natal	13	10	21	44
Limpopo	31	12	26	69
Mpumalanga	77	37	53	167
North West	58	29	28	115
Northern Cape	29	16	17	62
Western Cape	7	14	28	49
Grand Total	**289**	**189**	**332**	**810**

2022 Evaluation and approval progress:

Approved	Rejected
761	49

Programme Description	Annual Target	Progress To Date
Output Indicator 2.1. Number of WSP-ATRs evaluated to access mandatory grants per annum.	800	810
Output Indicator 2.4. Number of SDF capacity building workshops conducted per annum.	15	20

2022 WSP-ATR Dispute:

The MQA received one (1) dispute from Harmony Gold's National Union of Metalworkers of South Africa (NUMSA) and the National Union of Mineworkers (NUM) which was resolved following the SDRU's intervention through negotiation between the employer and unions.

3.4.3. MANDATORY GRANT (MG) PAYMENTS

Within the MQA the SDRU initiates Mandatory Grant (MG) payments by evaluating and approving the submitted WSP-ATRs (the Finance Unit is responsible for mandatory grant payments). SETA grant regulations obligates the MQA to pay Mandatory Grants on a quarterly basis. The table below reflects the budget and the amount paid to organisations by size for the 2022–2023 financial year.

Budget 2022–2023	Payment 2022–2023	Organisations Paid	
R310 494 000.00	R297 639 000.00	Large	243
		Medium	149
		Small*	348
		Total	**740**

*Small organisations are exempted from paying levies thus may or may not attract an MG.

2023 WSP-ATR Submission Plan

The MQA appointed SoluGrowth to develop, manage and support the MQA's WSP-ATR system for the 2022–2023 financial year. Below is an overview for the 2023 WSP-ATR submission process with timeframes:

	Activity	Timeframes	Status
1	Review and finalise the WSP-ATR Template with the working group.	21 and 24 February 2023	Completed
2	Develop and finalise the system functionality and develop all system specification documents.	17 February 2023	Completed
3	Test the internal system.	21 and 24 February 2023	Completed
4	System Go-Live.	9 March 2023	Completed
5	Train SDFs and relevant stakeholders on user manual and system for submission.	March 2023	Completed
6	Submission of WSP-ATRs to the MQA.	April–May 2023	Ongoing
7	Report on the submission status.	2 May 2023	Ongoing
8	Evaluate, approve, reject, and give feedback on the WSP-ATR.	2 May 2023	Ongoing

Challenges/Solutions with the WSP-ATR System

Challenges	Proposed Solutions
The system went live later than anticipated due to data migration (SDF details and companies) as well as the appointment of the new service provider who still had to become familiar with the MQA's specific requirements.	Establish internal capacity to develop, manage and support the automated information management system for the WSP-ATR submission.

3.4.6. REVIEW THE RESEARCH RELATED TO SKILLS DEVELOPMENT IN THE MINING AND MINERALS SECTOR

No	Short Project Title	Research Objective	Research Partner	Time Limits	Progress/ Status	Next Phase
1	SSP Annual Update 2023–2024 legislative imperative.	Provide critical insights in line with the DHET SSP framework into key factors influencing demand and supply with respect to skills in the mining and minerals sector.	Research team	March 2022 – August 2023	Completed	Approved by the DHET
2	WSP/ATR Analysis – functional imperative.	Provide insights into key issues influencing demand and supply with particular focus on the latest WSP-ATR submissions.	Research team	April 2022 – March 2023	Completed	Communicate findings
3	Trends Analysis Update (2010–2022) – functional imperative.	Track trends and patterns with respect to key issues influencing demand and supply of skills over a 12-year period.	Research team	April 2022 – March 2023	Completed	Communicate findings
4	The impact of covid-19 and its skills development implications in the mining and minerals sector.	Provide key insights on the effects of the pandemic across demand and supply chains and how mines should respond when it comes to skills development in the mining and minerals sector.	Topline Research Solutions	April 2022 – March 2023	Completed	Communicate findings
5	Understand the relationship between the scarce and critical skills (hard-to-fill occupations) and interventions that are implemented in the mining and minerals sector – functional imperative.	Provide insights into the relationship between hard-to-fill occupations and training interventions implemented in the mining and minerals sector over a five-year period.	Research team	April 2022 – March 2023	Completed	Communicate findings
6	Explore the state of managerial progression of Historically Disadvantaged South African (African, Indian and Coloured) employees in the mining and minerals sector – functional imperative.	Provide insights into factors influencing the managerial progression of HSDA employees in the mining and minerals sector over the past five-years.	Research team	April 2022 – March 2023	Completed	Communicate findings

No	Short Project Title	Research Objective	Research Partner	Time Limits	Progress/ Status	Next Phase
7	Explore the current state and future of AET programmes in the mining and minerals sector.	Explore the nature and effectiveness of the current AET programmes to inform better future implementation of such programmes in the mining and minerals sector.	Underhill Corporate Solutions	January – June 2023	Project execution plan completed	Policy, literature review and fieldwork
8	Research the state of the Mining Qualifications Authority's (MQA) funding policy with respect to grants (learnerships including Recognition of Prior Learning (RPL) for non-artisans, Occupational Health and Safety (OHS), candidacy, work experience and coach programmes) across subsectors in the mining and minerals sector.	Explore the nature and effectiveness of the MQA's funding policy to inform better grant implementation in the mining and minerals sector.	Underhill Corporate Solutions	January – June 2023	Project execution plan completed	Policy, literature review and fieldwork
9	Research and develop a framework for future skills identification for the mining and minerals sector.	Explore the nature of 4IR in the mining and minerals sector in order to develop a model usable for anticipating future skills needs in the subsectors of the mining and minerals sector.	Redflank Solutions	April – August 2023	Project execution plan completed	Policy, literature review and fieldwork
10	Investigate the nature of demand and skills supply with the changing technology in the mining and minerals sector.	Provide key insights into key 4IR issues shaping the world of work and the labour force (skills) to inform better skills planning with respect to 4IR in the mining and minerals sector.	Redflank Solutions	April – August 2023	Project execution plan completed	Literature review reports

Research

Output Indicator	Programme Description	Annual Target	Achievement
Output Indicator 2.2	Number of sector research outputs completed per annum.	6	6
Output Indicator 2.3	Number of MoAs signed with targeted private and public organisations.	3	4

3.5. LEARNING PROGRAMMES: STRATEGIC PROJECTS

The Learning Programmes: Strategic Projects unit administered seven (7) strategic projects during the year under review.

1. Bursaries (for unemployed and employed);
2. Work experience (including vacation work);
3. Internship programmes;
4. Management and Executive Development Programmes Support;
5. Higher Education Institutions Lecturer Support;
6. Workplace Coaches; and
7. Candidacy programme.

The table below reflects programmes, including targets and qualitative achievements which the MQA committed to rolling out during the period under review:

Project Name	Annual Targets	Quantitative Achievements	% Achievements
Number of graduates that enter an internship programme per annum.	650	930	143%
Number of undergraduates that enter a workplace experience programme per annum.	600	688	115%
Number of undergraduates that complete a workplace experience programme per annum.	400	562	141%
Number of HDSA mining and minerals sector employees that enter a management development programme per annum.	150	210	140%
Number of HDSA mining and minerals sector employees that complete a management development programme per annum.	70	137	196%
Number of HDSA HET lecturers that enter into a lecturer development programme per annum.	13	41	315%
Number of unemployed learners awarded a bursary per annum.	750	1 585	119%
Number of unemployed learners completing a bursary per annum.	400	407	102%
Number of employed learners awarded a bursary per annum.	60	61	100%
Number of workers granted bursaries completing their studies.	30	30	100%
Number of HDSA mining and minerals sector learners that enter candidacy programmes per annum.	50	52	104%
Number of coaches placed within workplaces to support employers with on-the-job mentoring and coaching activities per annum.	100	118	118%

3.5.1. BURSARIES PROJECT

The Bursary Support Project forms part of the MQA learner support strategy which is in line with the Mining Charter and the objectives of the National Skills Development Strategy III. The project mainly supports students who are pursuing careers within the mining and minerals sector.

BURSARY INTAKE AND ACHIEVEMENTS

- During the financial year under review, the set annual target of seven hundred and fifty (750) for unemployed bursars intake was exceeded. One thousand five hundred and eighty-five (1 585) unemployed bursars from universities, universities of technology and TVET colleges benefited from the MQA Bursary Scheme.
- Four hundred and seven (407) unemployed bursars completed their qualifications.
- Sixty-one (61) employed bursars were awarded bursaries and thirty (30) employed bursars completed their qualifications.

3.5.2. WORK EXPERIENCE

The MQA supports learners to obtain their university of technology qualifications by enabling them to gain the required practical work experience which is a required component of this regulated training. University learners were also assisted with vacation work placement. During the reporting year, a total of six hundred and eighty-eight (688) out of a set annual target of six hundred (600) students were placed within mining companies for workplace experience training.

For the year under review, five hundred and sixty-two (562) learners completed their work experience programme.

3.5.3 INTERNSHIPS

The project provides structured work experience for young unemployed graduates from Higher Education Institutions to complement the scarce and/or critical skills qualifications required by the mining and minerals sector. During the reporting period, nine hundred and thirty (930) graduates out of a target of six hundred and fifty (650) graduates were placed at different mining companies to gain work experience.

3.5.4. MANAGEMENT DEVELOPMENT PROJECT

The aim of the project is to facilitate the development of mining and minerals sector employees in the area of supervision or management to support the transformation targets of the sector. A total of two hundred and ten (210) out of a target of one hundred and fifty (150) learners were supported to study towards Management and Executive Development Programmes in the year under review.

3.5.5. HIGHER EDUCATION INSTITUTIONS LECTURER SUPPORT

This programme focuses on assisting universities to achieve employment equity and transformation by supporting the development of historically disadvantaged lectures. A total of forty-one (41) lecturers were supported in the mining related departments of the participating universities, during the year under review.

The following universities participated:

University	No. of Lecturers
North-West University	5
University of Johannesburg	6
University of Cape Town	12
University of South Africa	3
University of Limpopo	6
University of Venda	9
Total	**41**

3.5.6. WORKPLACE COACHES

The project is aimed at providing employers with additional coaches which will assist with the training of learners that are registered in various MQA-funded projects. These coaches are individuals who previously worked in the sector for a number of years, who are now retired or out of employment and are being brought back to the sector to transfer knowledge and skills to the new entrants to the sector. During the reporting period one hundred and eighteen (118) coaches were engaged with employers to impart knowledge and skills to the learners.

3.5.7. CANDIDACY PROGRAMME

The project is aimed at providing structured work experience for unemployed and employed graduates from Higher Education Institutions who would like to attain a Government Certificate of Competency, Mine Surveyor Certificate and Mine Managers Certificate. During the reporting period fifty-two (52) graduates out of a target of fifty (50) were funded at different mining companies.

3.6. LEARNING PROGRAMMES: OPERATIONAL PROJECTS

The Learning Programmes Operations Unit has implemented eight (8) projects in the year under review as follows:

Artisan Development

The Artisan Programmes offered by the MQA seeks to address the core and hard to fill artisan skills needs in the mining and minerals sector. The Artisan Programme includes Artisan Aides which are offered either through skills programmes or as qualifications and aimed at providing opportunities to employees in the sector who have vast experience but no formal qualifications.

In the artisan development space, the MQA also participates in the DHET Programme for Centres of Specialisation (CoS) which is aimed at strengthening the function of TVET colleges as Centres of Excellence in the country's priority trades.

Achievements in the Centres of Specialisation (CoS) Project

One hundred and forty-six (146) learners were enrolled in various artisan programmes, forty-eight (48) learners have already completed training. Twelve (12) are employed, five (5) are on internship programmes, fifteen (15) are unemployed and still looking for jobs and sixteen (16) could not be traced.

Skills Development Provider	Lead Employer Signing the Agreement	Host Employer for On-the-Job Training	Apprentices Approved	Number Completed
Umfolozi TVET College	Richards Bay Minerals	Richards Bay Minerals	5	7
Ekurhuleni East College	Ergo Business Development Academy	Ergo Business Development Academy	15	1
Orbit FET College	Hernic Ferrochrome (Pty) Ltd	Hernic Ferrochrome (Pty) Ltd	3	3
Mopani South East TVET College	Palabora Copper (Pty) Ltd	Palabora Copper (Pty) Ltd	5	5
Gert Sibande TVET College	Seriti Coal (Pty) Ltd	Seriti Coal (Pty) Ltd	8	8
Majuba TVET College	Slater Coal (Pty) Ltd	Slater Coal (Pty) Ltd	8	8
Orbit TVET College	Tharisa Minerals	Tharisa Minerals	9	9
Ekurhuleni East TVET College	Trollope Mining Services (2000) (Pty) Ltd	Trollope Mining Services (2000) (Pty) Ltd	3	1
Ekurhuleni East TVET College	VH Exploration and Fabrication NPC	VH Exploration and Fabrication NPC	65	3
Orbit TVET College	Western Chrome Mines	Western Chrome Mines	3	3
Flavius Mareka TVET College	Flavius Mareka TVET College	Sasolburg Tegniese Kollege	15	0
Mopani TVET College	Mopani TVET College	Foskor/ Phalaborwa	15	0
Total number of learners			**146**	**48**

The MQA now has at least two TVET colleges who directly receive funding as host employers from the MQA. The condition is that they place the learners in workplace approved companies for Work Integrated Learning that are within the mining and minerals sector.

Development of the Digital Learning Programmes Platform

The Unit has developed Terms of Reference and issued a tender for the development of a digital learning programmes platform. The objective of the bid is to appoint a service provider with an ability to develop, implement, support and administer an online interactive learning programmes system with digital capabilities and functionalities for the MQA. The evaluation of bid documents has been finalised and is due to be submitted for adjudication.

Non-Artisan Learnerships

The Non-Artisan Learnership programmes are offered by the MQA to address the core and critical skills needed in the mining and minerals sector.

Artisan Recognition of Prior Learning (ARPL)

The Artisan Recognition of Prior Learning programme seeks to recognise employees in the industry who have experience in the artisan-related space or area but do not have trade qualifications or trade skills programmes.

Non-Artisan Recognition of Prior Learning

The Recognition of Prior Learning Programme for learnerships seeks to recognise employees in the industry who have experience within those core and critical skills areas but do not have qualifications.

Adult Eduction and Training (AET)

This programme seeks to address the low level of language and numeracy skills among youth and adults to enable access to further training and development in intermediate and advanced skills within the mining industry. The MQA is moving towards the provision of digital skills at AET level within the sector.

Occupational Health and Safety Representative Development and Other MQA Approved Registered Skills Programmes

The objective of the OHS Project is to train employees in the mining and minerals sector on critical occupational health and safety skills programmes including Health and Safety Representatives. This is done to assist the sector to comply with the requirements of the Mine Health and Safety Act.

The objective of this intervention is to train employees in the mining and minerals sector in other critical skills programmes related to the mitigation of accidents and fatalities within the sector.

Foundational Learning Competence Programme

The Foundational Learning Competence (FLC) programme is designed to address the low level of skills of learners who require fundamental numeracy and literacy skills to exit NQF Level 3 and 4 New Modular Based QCTO Occupational Qualifications.

Achievement Against the Annual Performance Plan Targets (Learners Funded by the MQA)

Project	Indicator	Baseline	APP Target 2022–2023	Achievement	Variance
Artisan Development	Number of learners that enter an artisan programme per annum.	1 401	1 000	1 522	522
	Number of learners that complete an artisan programme per annum.	526	500	670	170
	Number of learners that complete artisan recognition of prior learning per annum.	127	50	63	13
	Number of learners that complete an artisan aides programme per annum.	327	200	446	246
Non-Artisan Learnerships	Number of employees entering a learnership per annum.	510	415	552	137
	Number of employees completing a learnership per annum.	351	703	246	457
	Number of unemployed learners entering a learnership per annum.	1 752	1 000	1 531	531
	Number of unemployed learners completing a learnership per annum.	903	675	1 620	945
	Number of employed learners completing RPL for learnerships.	33	35	51	16
Occupational Health and Safety	Number of employees that successfully complete the Occupational Health and Safety Representatives and other MQA approved Skills Programmes per annum.	4 318	3 500	3 972	472
Adult Education and Training	Number of learners that successfully complete AET and Nated courses.	1 499	1 550	1 661	111
Foundational Learning Competence	Number of learners that successfully complete FLC.	218	250	289	39

All targets for funded learners for the financial year under review were met except the indicator on Number of Employees that Complete Learnerships. This was due to the low number of employed learners in the learnerships pipeline that were registered in the previous financial year that didn't create enough completions for the year under review, thus that target was not met.

Achievements Against the Service Level Agreements with DHET Targets (Learners Funded by the Sector) for the 2022–2023 Financial Year:

Project	Indicator	Baseline	SLA Target 2022–2023	Achievement	Variance
Non-artisan learnerships	Employed learners enrolled in learnerships.	801	415	996	581
	Employed learners that completed learnerships.	491	703	347	356
	Unemployed learners enrolled in learnerships.	1 756	1 000	1 919	919
Artisan development	Unemployed learners that completed learnerships.	903	675	1 819	1 144
	Learners enrolled in artisan qualifications.	1 527	1 000	2 481	1 481
	Learners that completed artisan qualifications.	1 303	500	1 438	938
Adult education and training	Learners enrolled in Adult Education and Training.	2 398	1 550	3 011	1 465
	Learners that completed Adult Education and Training.	1 685	1 550	1 833	283
Skills programmes	Unemployed learners entering skills programmes.	6 519	2 200	11 396	9 196
	Unemployed learners that completed skills programmes.	7 925	2 500	10 386	7 886
	Workers entering skills programmes.	25 567	10 500	34 631	24 131
	Workers that completed skills programmes.	31 223	16 000	26 759	10 759
Recognition of prior learning	Number of learners enrolled in RPL/ARPL.	173	40	77	37
	Number of learners that completed RPL/ARPL.	64	100	160	60

All the targets for non-funded learners for the financial year under review were met except the indicator on Number of Employees that Completed Learnerships. This was due to the low number of employed learners in the learnerships pipeline that were registered in the previous financial year that didn't create enough completions for the year under review, thus that target was not met.

Challenges were encountered in the implementation of the projects during the financial year including but not limited to:

- Returns of allocations for funding learners by a number of mining companies citing organisational restructuring, retrenchments, budget constraints, etc.
- Slow uptake of learners by participating companies. The MQA has improved on the allocations of grants to the sector to allow employers to recruit, select and place learners on time.

3.7. QUALITY ASSURANCE

The Quality Assurance unit is delegated as a Quality Partner for Quality Council for Trades and Occupations (QCTO) to ensure quality assurance on accreditation and learning programmes within the mining and minerals sector is aligned in terms of the Occupational Qualifications Sub-Framework policy, and alignment of regulated occupations in terms of the Mine Health and Safety Act.

The primary roles, responsibilities, deliverables and targets are:

- Review or develop learning programmes for registration as occupational qualifications and support the development of learning materials as a Development Quality Partner (DQP) body.
- Develop or review assessment tool banks and assessment centres criteria for designated occupational qualifications in terms of the national standard as an Assessment Quality Partner (AQP) body.
- Perform the SETA mandate of identifying and approving workplace conduct accreditation audits for skills development providers, and registering assessors and moderators as a Quality Assurance Partner (QAP) body.
- Conduct quality assurance learner achievements for certifications including uploading onto the National Learner Records Database (NLRD).
- Implement SETA strategic projects including national initiatives for the mining and minerals sector.

Furthermore, the Occupational Qualification Sub-Framework (OQSF) policy 2021 was issued, published in the Government Gazette of October 2021 that gives effect to the Ministerial determination on the three sub-frameworks that comprise the National Qualifications Framework (NQF). To ensure the implementation of the policy a transitional arrangement is set out on how the Historical Registered Qualifications (pre-2009 Qualifications and Unit standards) will be aligned.

3.7.1. DEVELOPMENT QUALITY PARTNER (DQP) FUNCTIONS

The MQA as a Qualifications Development Partner (QDP) in terms of the Quality Council for Trades and Occupations (QCTO) has a delegated function to review or develop learning programmes for registration in the Occupational Qualifications Sub-Framework (OQSF) and learning materials in accordance with national standard.

The MQA has a mandate to review or develop regulated learning programmes or learning materials as per mining and minerals sector demand with collaboration and support of relevant stakeholders.

During the period of the fiscal year there was a total of one hundred and fifty-four (154) learning materials and programmes reviewed or developed for Occupational Qualification, part-qualifications or skills programmes. The achievements are:

- 2 (qualifications/part-qualifications)
- 13 (new/revised skills programmes)
- 139 (new LM packs for occupational qualifications)

3.7.2. ASSESSMENT QUALITY PARTNER (AQP) FUNCTIONS

The MQA as an Assessment Quality Partner (AQP) with roles and responsibilities in terms of the Quality Council for Trades and Occupations (QCTO), delegated functions for specified occupational qualifications registered on the Occupational Qualifications Sub-Framework (OQSF) to ensure the development of assessment tool banks and assessment centres criteria for designated occupational qualifications or part-qualifications in terms of the national standard.

During the period under review there were at least forty-two (42) qualifications delegated to MQA as an AQP, and thirty-two (32) assessment tools were developed. Twenty-five (25) assessment tools were submitted, seven (7) are waiting for QCTO approval, and a further ten (10) are under development.

3.7.3. QUALITY ASSURANCE PARTNER (QAP) FUNCTIONS

The MQA through the QA Unit conducts integrated accreditation audits on Skills Development Providers and workplaces for Occupational Qualifications, part-qualifications, Learnerships and/or Skills Programmes, including on registration of assessors and moderators as a delegated Quality Assurance Partner (QAP) body by QCTO for the mining and minerals sector.

To conduct this function, it requires collaboration with all stakeholders through an appointed and resolute audit team, including subject matter experts or technical experts within the sector.

The MQA has two-hundred and forty-five (245) training providers on primary and secondary accreditations whilst two hundred and twenty (220) are approved workplaces for learners' placements in various learning programmes as at the end of this financial year.

The MQA conducted one hundred and eighty (180) achieved performances on Accreditations and Workplace Approvals during the financial year of 2022–2023. Achievements are:

- 88 new, scope extensions, or compliance audits.
- 4 HDSA training providers supported by and benefited from discretionary grants.
- 65 workplace approvals.
- 27 withdrawals or audited but could not be recommended for approval due to not complying.

During the period under review a total of one thousand one hundred and one (1 101) applications were received with eight hundred and forty-five (845) approved and processed. Six hundred and two (602) were newly registered as well as re-registration of assessors, sixty-six (66) moderators were registered, fifty-seven (57) assessors were granted scope extension, one hundred and thirty-seven (137) assessors moved from one provider to another on various learning programmes and two hundred and twenty-nine (229) applicants were not yet registered due to pending information.

3.7.4. LEARNER COMPLETION AND CERTIFICATIONS

The MQA continues their responsibilities for the quality assurance learner achievements (completions) including uploading into the National Learner Records Database (NLRD) and issuing of certificates for historically registered qualification programmes and skills programmes for the mining and minerals sector.

The primary role and responsibilities are:

- Establish and maintain a database for the recording of learner achievements.
- Provide support for the certification of learners and accredited providers.
- Certify learners for skills programmes or qualifications achieved.

The MQA adhered to and maintained the National Learner Records Data (NLRD) and uploaded learner achievements in terms of the SAQA standard. The MQA achieved a GREEN status.

There were thirty-five thousand nine hundred and forty-six (35 946) learners who completed various learning programmes within the sector as at the end of the 2022–2023 financial year. The table below breaks down the various learner completions in various learning programmes:

Types	Learner Completions	Printed/ Issued Certificates
Skills Programmes Statement of Attainments	32 439	21 839
Non-Artisan Learnership Qualifications	2 083	1 831
*Artisan Qualification Completions	1 500	1 438
Re-Issues	1 424	1 404
Verified	**2 599**	

**Artisan Trade certifications are issued by QCTO through the National Artisan Moderation Body, whilst the MQA continued with the trade test serial number allocations for only twelve (12) trades to eighteen (18) Trade Test Centres and its associated administration within the mining and minerals sector.*

3.7.5. SUPPORT NATIONAL INITIATIVES FOR STANDARDISED LEARNING

The MQA continues to participate in the DHET Centres of Specialisation Pilot Project for the millwright, boilermaker, diesel mechanic and electrician trades, including ensuring learners are linked to approved workplaces for practical experience with allocated grants for the project.

During the financial year, the first group of learners were able to be trade tested in terms of the occupational qualification specifications and were granted trade certificates.

The MQA further participated in and supported the Artisan Graduation Ceremony for the Centres of Specialisation event co-ordinated by the Department of Higher Education and Training where learners received their certificates, toolboxes, and specially designed Personal Protective Equipment.


SECTION
4
STAKEHOLDER
RELATIONS

4. STAKEHOLDER RELATIONS

The Stakeholder Relations Unit is responsible for the management of the regional offices, advocacy programmes and some of the Discretionary Grant programmes which are contained in the APP and SLA such as the Mine Community Development programme (including ex-mineworkers), Unemployed Youth programme, Small Business Support programme, Small Scale Mining programme, TVET College Support and Worker Initiated Training programmes. Additionally, advocacy on MQA programmes remains central to the work carried by the unit as well as partnerships that will advance the mandate of the MQA.

Performance Information

The Stakeholder Relations Unit is responsible for eleven (11) indicators on the MQA's Annual Performance Plan (APP) and is also accountable for thirteen (13) indicators of the SLA signed between the MQA and the DHET.

At the end of the 2022–2023 financial year, SRU's achievement on the APP was at 91%, which represents the same achievement as the 2020–2021 and 2021–2022 financial years. There has not been an increase or decline of achievement in the three financial years. The SLA performance stands at 100% achievement which is an increase of 8% when compared to 2021–2022 and an increase of 7% when compared to 2020–2021.

Programmes Implemented on the Mine Community Development Programme

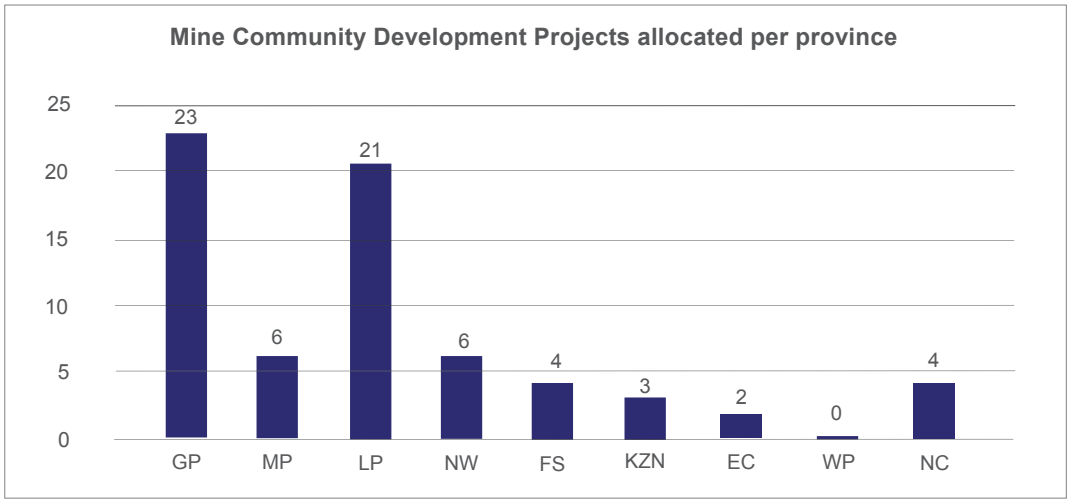
As at the end of Quarter 4, five thousand five hundred and seventy-nine (5 579) learners were allocated to sixty-five (65) providers nationally, at a cost of R83 685 000.

Fifty-nine (59) projects, with four thousand nine hundred and thirty-six (4 936) learners were implemented in the 2022–2023 financial year. Six (6) projects, with six hundred and forty-three (643) learners were deferred to the 2023–2024 financial year.

Training interventions funded for the Mine Community Development Programme include, but are not limited to:

- Operating a dump truck
- Operating surface mobile equipment
- Electrical/domestic house wiring
- Community house building
- Chemical operations
- Upholstery
- Satellite dish and set top installation
- Underground hard rock mining
- Furniture making
- End-user computing
- Domestic appliance repairs
- Animal, livestock, poultry and crop production.

Allocation per province in is depicted hereunder:



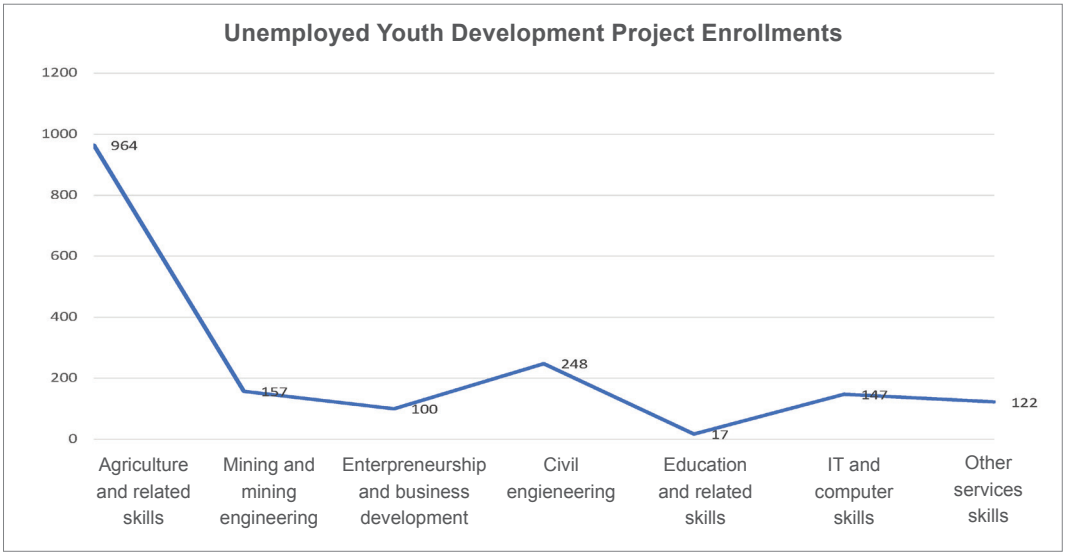
The demographics of the total population of learners that entered and completed for the financial year:

INDICATOR	MALE	FEMALE	YOUTH	OVER 35	DIABLED
Entered	1 972	3 597	4 068	1 501	215
Completions	1 529	1 435	1 392	1 572	649

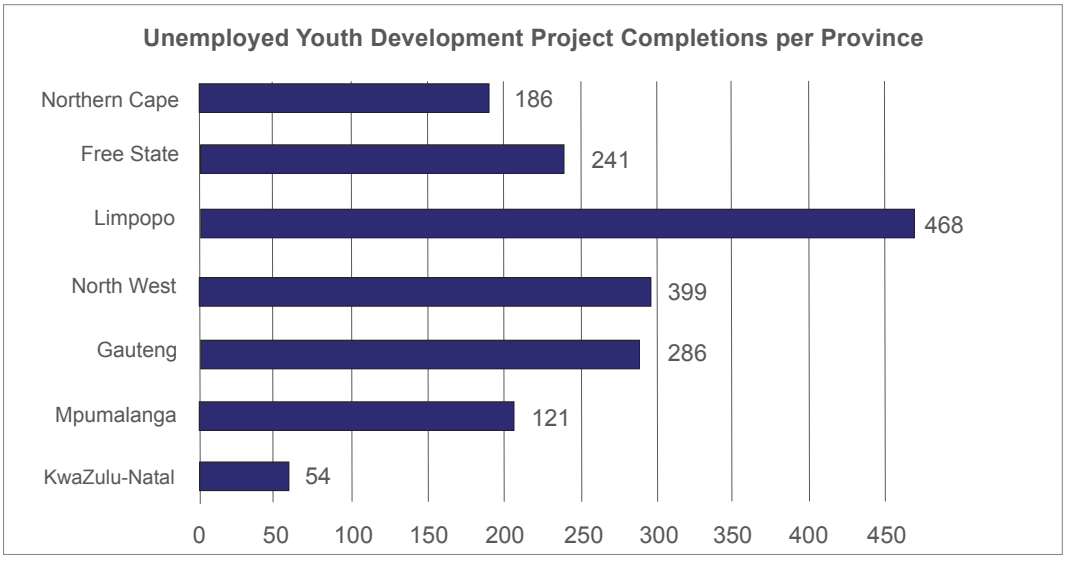
Unemployed Youth Development

The MQA supported a total of one thousand seven hundred and fifty-five (1 755) youths to complete various skills programmes in needs identified in their localities. Most enrolments were in the agricultural sector indicating a reliance on agriculture for basic survival in mine host communities. The MQA partnered with Harmony Gold to support more than one hundred (100) entry-level miners to complete their various operations in the Free State, North West, and Gauteng. The MQA further calls on other mining houses to partner with to create meaningful employment opportunities for young people.

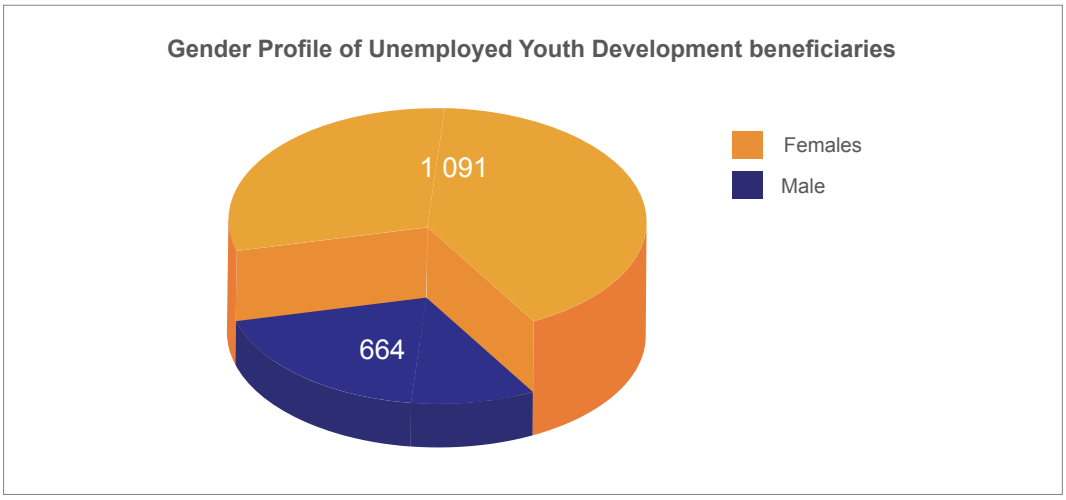
The enrolment per sector is as follows:



The provincial split of the completions are as follows:



More females enrolled in the various skills programmes as follows:



Small Business and Cooperative Support

The year under review saw the MQA support a total of fifteen (15) SMMEs and Cooperatives. The business owners participated in a formal accredited training with the Wholesale and Retail SETA. The formalisation of SMMEs secures meaningful participation in the growth of the economy. Qualifying companies contributed as follows:

- 100% ownership by South African citizens;
- 90% employees as South Africans; and
- Planned registration and compliance with SARS and UIF.

TVET Support Programmes

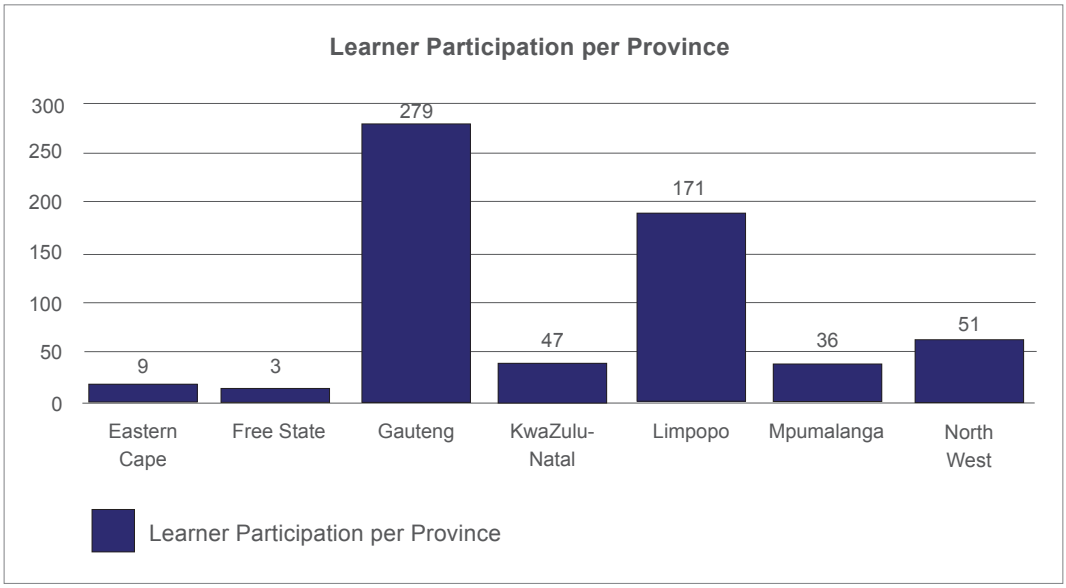
4.1. TVET COLLEGE SUPPORT PROGRAMMES

The Stakeholder Relations Unit is also responsible for several TVET College Support programmes aimed at supporting learners from TVET colleges, as well as TVET college lecturers, to improve learning and to elevate the standing of TVET college graduates in industries and society.

4.2. TVET NCV LEVEL 4 LEARNERS

A total of thirty-six (36) companies were allocated to place learners who hold NCV Level 4 qualifications in workplaces to prepare them for trade testing to qualify as artisans. Five hundred and ninety-six (596) learners were placed out of the six hundred (600) learners that the companies were awarded.

The graph below depicts provincial learner participation:



These learners were placed for exposure in the interventions listed below:

- Welding;
- Electrical;
- Fitting and turning;
- Boiler making;
- Mechanical; and
- Automotive.

Below are the demographics of the total population entered and completed for the financial year:

INDICATOR	MALE	FEMALE	YOUTH	ABOVE 35	DIABLED
Entered	232	364	588	8	0
Completions	147	134	274	7	0

4.3. TVET AND CET LECTURERS' CAPACITY BUILDING

The TVET and CET College Lecturers' capacity building programmes are aimed at improving teaching and learning at TVET and CET colleges by capacitating the lecturers with the necessary education and skills.

As of 31 March 2023, the MQA in response to the signed SLA with DHET, has:

- awarded bursaries to sixty-eight (68) lecturers from ten (10) TVET colleges;
- enrolled thirty-two (32) lecturers to be exposed to the mining and minerals sector through skills programmes; and
- trained forty (40) TVET lecturers in Assessor and Moderator courses.

4.4. CET LEARNERS ACCESSING ADULT EDUCATION AND TRAINING (AET) PROGRAMMES

Three hundred and forty-seven (347) learners were registered in three (3) CET colleges for AET programmes. The purpose of the programme is to improve education levels in communities surrounding the CET colleges to be able to access more opportunities.

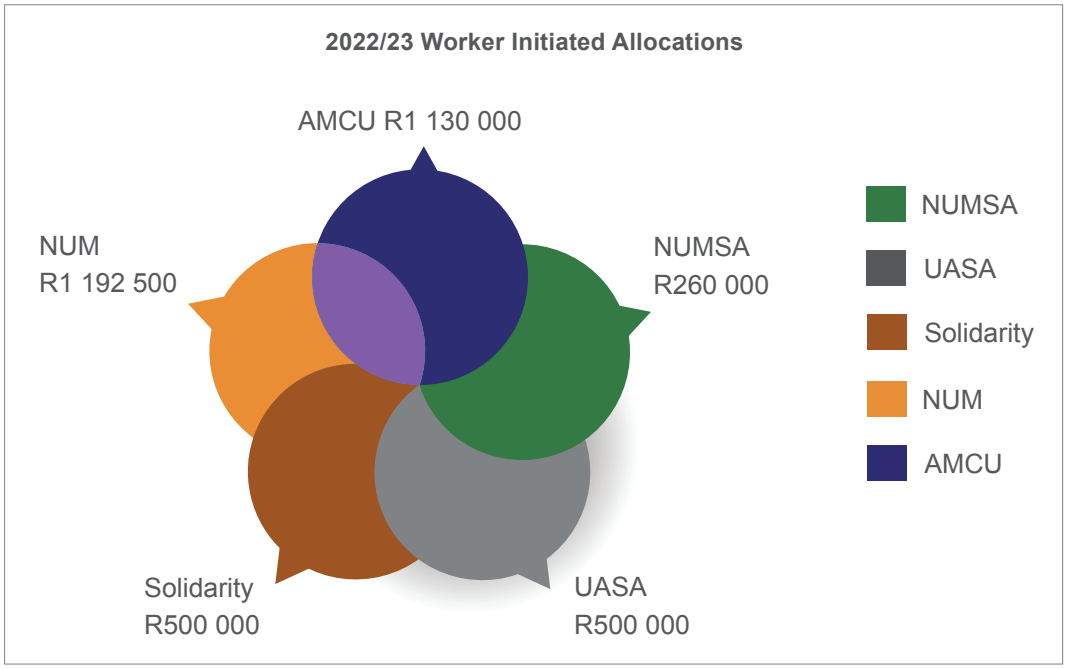
There is a need for robust engagements with CETs regarding the programmes offered to CET colleges by the MQA looking at the number of CETs that participate in programmes offered to TVETs and CETs.

Small-Scale Mining Programme

One hundred and fifty (150) learners at a cost of R1 500 000 was allocated to one (1) service provider in the 2022–2023 financial year. This project had not yet commenced at the end of the financial year and has been deferred to the 2023–2024 financial year for implementation.

4.5. WORKER INITIATED TRAINING INTERVENTION

In the 2022–2023 financial year, an amount of R5 922 500 was allocated and split amongst all five (5) Trade Unions within the mining and minerals sector. This funding is for short skills programmes, learnerships and non-accredited training that the Unions have identified to provide capacity to members.



4.6. PRESIDENTIAL YOUTH EMPLOYMENT INITIATIVE (PEYI)

Following its pledge to the DHET to assist with placement of six hundred and sixty (660) TVET college graduates in workplaces, and in response to the commitment made by President Cyril Ramaphosa during his 2022 State of the Nation Address (SONA) to place ten thousand (10 000) learners by the end of December 2022, the MQA placed seven hundred and sixty-five (765) TVET graduates in workplaces for Work Integrated Learning (WIL), exceeding the pledge by one hundred and five (105) graduates as at 31 March 2023.

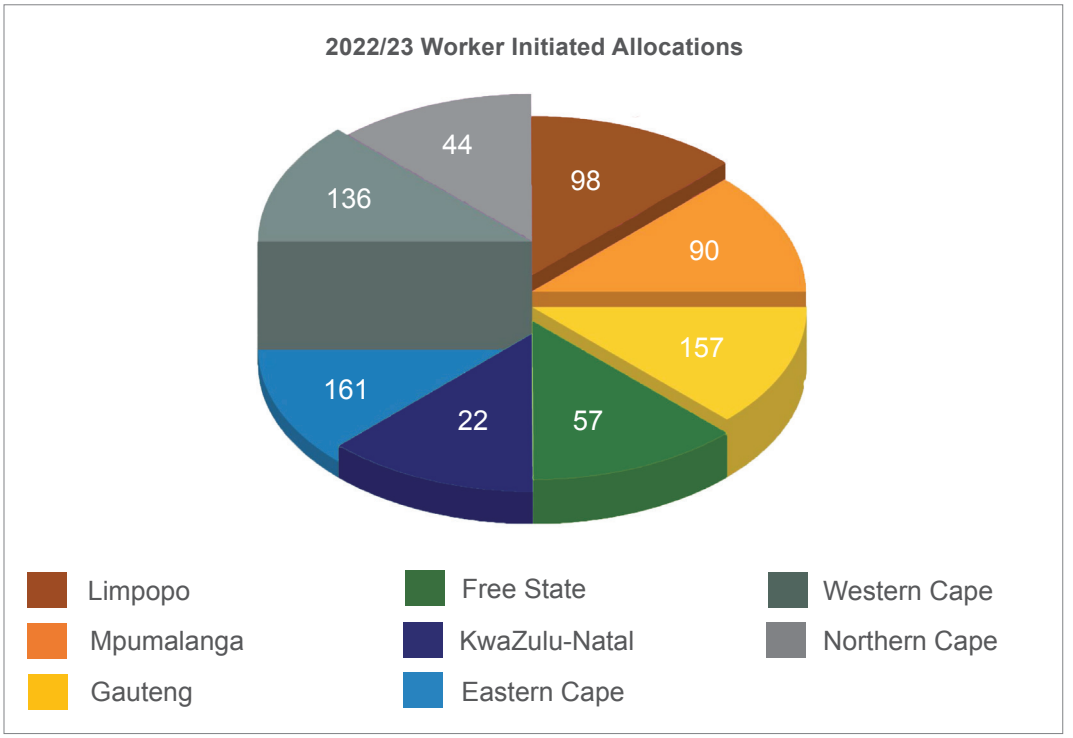
Provincial allocations (geographic spread) of the seven hundred and sixty-five (765) learners placed in the programme:

Project	GP	MP	LP	NW	FS	KZN	EC	WC	NC
TVET learners placed in workplaces	157	90	98	0	57	22	161	136	44

Demographics: Total number of females, males and disabled learners who participated in the programme:

Demographics	Entered	Percentage	Completions
Female learners	578	76%	Learners enrolled in this programme are anticipated to complete in 12, 18 and 24 months.
Male learners	187	24%	
Disabled learners	0	0	

The graph below depicts provincial learner participation:



Project status

The project is performing well. Learner completions on various programmes entered are staggered between 12, 18 and 24 months.

SECTION 5

CORPORATE SERVICES

5. CORPORATE SERVICES

The Corporate Services department plays a key role within the MQA by providing strategic leadership and oversight on roles that include corporate governance, legal services, contract management, marketing and communication, and human resources as well as facilities and office management services.

It is through these functions that Corporate Services supports the MQA Board and its committees, management, employees and stakeholders in the process of fulfilling its legislative mandate whilst ensuring effective engagement with all relevant stakeholders.

5.1. HUMAN RESOURCES

5.1.1. BACKGROUND

Human Resources (HR) is a strategic function of the organisation and contributes immensely to the creation, enforcement and inculcation of a high-performance culture. The employee life cycle from entry to exit is managed by Human Resources. The Human Resources unit offered services to the MQA by following six (6) Strategic Objectives namely, Workforce Planning, Organisational Development, Employee Remuneration and Retention, Governance, Human Resources Administration and Employee Relations.

5.1.2. HUMAN RESOURCES STRATEGIC OBJECTIVES

The report focuses on the HR activities that were carried out during the reporting period in relation to the outlined HR Strategy: Workforce Planning, Organisational Development, Employee Remuneration and Retention, Governance, Human Resources Administration and Employee Relations.



5.1.3. HUMAN RESOURCES PERFORMANCE AGAINST PLANNED STRATEGIC OBJECTIVES

Below is an account of the unit's performance for the year under review:

Deliverables	Planned Activity	Comment
Workforce planning	Filling of vacant executive management positions while ensuring a 10% vacancy rate.	MQA concluded the process to recruit for the Chief Executive Officer with the appointment offer extended to Dr Mashongoane on 18 December 2022. A total of nine (9) appointments were made and it includes one (1) internship and seven (7) temporary positions.
Organisational development	Improve performance management contracts.	The Performance Management System has improved from the previous years. Some of the noteworthy improvements include the introduction of the Performance Review Committee (PRC), constituted by all Senior Managers, whose main activity is to ensure the integrity of performance reviews before moderation which further affirms consistency of the evaluation process. Key Performance Areas were standardised and aligned to the Strategic Objectives of the MQA.
	Change management.	A change management strategy which is aimed to improve the MQA culture was implemented with the following key focus areas: **Leadership:** Recruitment and successful appointment of the Chief Executive Officer, ensuring there is stability in the organisation. **Culture:** The HR unit with assistance of Leadership implemented a number of activities that would see incremental gains in the improvement of the MQA culture. **Communication:** Communication of key events and milestones proved to be the successful driver of the Change Management strategy.
	Learning and development.	R1 352 761,48 was spent on assisting employees furthering their studies through learning and development programmes using the training budget.
Governance	Ensure that HR policies and procedures are in line with legislation.	Eleven (11) HR policies were reviewed and approved by the Board in April 2022.
Human Resources administration	Management of Human Resources budget.	All Human Resources activities were budgeted for at R100 760 425,01. Full details of the budget spend is available in the financial statements.
Employee relations	Wage negotiations.	A two-year wage agreement that was agreed upon with the Union was successfully implemented to effect annual increases for the period under review.
	Employee wellness.	The MQA believes that a happy employee is a productive employee. Employees are provided with the support they need in all aspects of their lives through a meaningful Employee Assistance programme.

5.1.4. PERSONNEL COST PER PROGRAMME

Programme Number	Number of Employees	Costs
Programme 1: Administration (Support Units/M&E/ Strategic planning/Executives)	77	R53 454 348,33
Programme 2: Skills Development and Research	9	R5 330 022,58
Programme 3: LP (Operations/strategy/bursaries)/SRU	67	R36 888 150,77
Programme 4: Quality Assurance	19	R13 771 520,59
Total	**172**	**R 109 444 042,27**

5.1.5. PERSONNEL COST PER OCCUPATIONAL LEVEL (INCLUDES PERMANENT, FIXED-TERM, TEMPORARY STAFF AND INTERNS)

Occupational Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel Cost (R'000)	No. of Employees	Average Personnel Cost per Employee (R'000)
Top management	R9 102 021,74	8%	4	R2 275 505,44
Senior management	R18 207 256,90	17%	12	R1 517 271,41
Professionally qualified	R29 566 498,96	27%	25	R1 182 659,96
Skilled technical	R48 427 230,48	44%	114	R424 800,27
Semi-skilled	R2 246 200,45	2%	9	R249 577,83
Unskilled	R1 894 833,74	2%	8	R236 854,22
Total	**R109 444 042,27**	**100%**	**172**	**R636 302,57**

5.1.6. PERFORMANCE REWARDS (INCLUDES PERMANENT, FIXED-TERM AND TEMPORARY STAFF)

Occupational Level	Performance rewards	Personnel Expenditure (R'000)	No. of Employees	% of Performance Rewards to Total Personnel Cost (R'000)
Top management	R1 554 866,04	R9 102 021,74	4	17,08%
Senior management	R2 106 014,46	R18 207 256,90	8	11,57%
Professionally qualified	R3 695 882,26	R29 566 498,96	24	12,50%
Skilled technical	R5 562 097,72	R48 427 230,48	86	11,49%
Semi-skilled	R232 268,41	R2 246 200,45	7	10,34%
Unskilled	R236 184,03	R1 894 833,74	8	12,46%
Total	**R109 444 042,27**	**100%**	**137**	**12,23%**

5.1.7. TRAINING AND DEVELOPMENT

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
Training and development	R109 444 042,27	R362 108,05	0,33%	116	R3 121,62
Study assistance	R109 444 042,27	R1 276 147,87	1,17%	22	R58 006,72
TOTAL	**R0,00**	**R1 638 255,92**	**1,50%**	**138**	**R11 871,42**

5.1.8. EMPLOYMENT VACANCIES: PERMANENT ROLES

Occupational Level	Approved Posts	No. of Employees	No. of Vacancies	% Vacancies
Top management	5	4	1	20%
Senior management	17	10	7	41%
Professionally qualified	33	26	7	21%
Skilled technical and interns	76	78	8	8%
Semi-skilled	8	8	0	0%
Unskilled	8	8	0	0%
Total	**147**	**126**	**31**	**14%**

5.1.9. EMPLOYMENT CHANGES: PERMANENT

Occupational Level	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top management	4	0	0	4
Senior management	12	0	2	10
Professionally qualified	25	1	0	26
Skilled technical	69	4	6	67
Semi-skilled	8	0	0	8
Unskilled	8	0	0	8
Total	**126**	**5**	**7**	**123**

5.1.10. REASONS FOR STAFF LEAVING: ALL STAFF

Reason for Staff Leaving	Number of Employees	Percentage
Death	0	0%
Resignation	11	58%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	8	42%
Total	**19**	**100%**

5.1.11. LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

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

5.1.12. EMPLOYMENT EQUITY STATUS AND EMPLOYMENT EQUITY TARGET AT 31 MARCH 2023

Occupational Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	3	4	0	1	0	0	0	0
Senior management	5	7	0	2	0	0	0	0
Professionally qualified	9	12	1	1	1	1	0	2
Skilled technical	21	25	1	1	1	1	0	1
Semi-skilled	2	2	0	0	0	0	0	0
Unskilled	3	2	0	0	0	0	0	0
Total	**43**	**52**	**1**	**5**	**2**	**2**	**0**	**3**

Occupational Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	1	0	1	0	0	0	0
Senior management	4	7	1	1	0	1	0	1
Professionally qualified	12	13	0	2	1	1	3	3
Skilled technical	44	45	2	2	0	2	0	2
Semi-skilled	5	5	1	0	0	0	0	0
Unskilled	5	6	0	0	0	0	0	0
Total	**71**	**77**	**4**	**6**	**1**	**4**	**3**	**6**

Occupational Levels	Employees with Disabilities			
	MALE		FEMALE	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professionally qualified	1	2	0	1
Skilled technical	1	0	1	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	**2**	**2**	**1**	**2**

5.2. LEGAL AND GOVERNANCE

The Legal and Governance Unit's (Legal Unit) key responsibilities focus on strategic support to the MQA for legal, compliance and governance matters summarised below:

- Drafting, monitoring and training on all MQA agreements.
- Ensuring that the MQA complies with all relevant legislation.
- Identification, management and mitigation of all legal and governance risks.
- Development and maintenance of all stakeholder/customer relationships.
- Tracking and monitoring of service provider performance against agreed obligations.
- Professional legal service to the organisation.

The Legal Unit attended to numerous queries which ranged from drafting of agreements, drafting of legal opinions and assisting in fraud investigations. The Legal Unit shall continue to perform its role in a professional manner, in particular concentrating on legal risk prevention and mitigation through the hosting of training workshops and the development of an effective legal and governance framework.

5.2.1. CONTRACT MANAGEMENT

Contract management can be said to be the effective contract administration and management of contracts signed with customers, vendors, partners, or employees. This involves negotiation, support and effective management of agreements.

As part of contract management, the Legal Unit reviewed all the templates of agreements that the MQA has. The Legal Unit is engaged in a process of reviewing its agreement management system in line with best public entity practice. The Legal Unit sends a report to all units on their agreements in order to track the progress and the contract cycle of the agreements. The Legal Unit engages each unit on a monthly basis on their agreements.

The Legal Unit handles all the contracts on behalf of all other units.

The number of public procurement agreements as per the end-user stakeholder group/unit are represented in the table below:

Unit	Number
Skills Development and Research	4
Strategic Planning	3
Information Technology	14
Finance	2
Supply Chain Management	1
Monitoring and Evaluations	9
Corporate Services	4
Legal and Governance	22
Office Management	7
Customer Relations and Communication	5
Human Resources	5
MQA Board	1
Total	**77**

The Legal Unit drafts Memorandums of Understanding (MoU) on behalf of other units. These MoUs are generally agreements which do not contain any financial obligations from the MQA and the other party to the agreement and it is sometimes used as the first step in signing an agreement. The use of MoUs is a good tool to form and formalise relationships with stakeholders.

List of MQA MoAs	
Unit	**Total Number**
Stakeholder Relations	4
Learning Programmes	2
Total	**6**

5.2.2. LEGAL SERVICES

The Legal Unit provides comprehensive legal services to all units of the MQA. These services include the advice and general legal opinion on a variety of matters.

The Legal Unit also started a process to appoint a panel of attorneys to assist the MQA in the provision of expert legal opinions and litigation support. This is an important step in ensuring

the MQA receives the best and most up-to-date external legal support.

No. of CCMA and Litigation Matters			
Description	**Total**	**Resolved**	**Ongoing**
Litigation cases	9	1	8
CCMA cases	5	4	1

5.2.3. COMPLIANCE AND GOVERNANCE

The Legal Unit assists the MQA with compliance to its legislative and regulatory obligations. The Legal Unit advises upon request on the rules, practices and processes by which the MQA is directed and controlled and advises the organisation on the best way forward in line with such prescripts.

5.3. CUSTOMER SERVICE AND COMMUNICATION

As one of the key support units within the MQA, the Customer Service and Communication deliverables are based on and guided by a five-year Board approved Communication Strategy and an annual Operational Plan. The report contained herein is a comprehensive account of the planned and unplanned activities implemented during the 2022–2023 financial year. The functions of the Customer Service and Communication Unit are aligned to support the MQA's vision, mission, values, strategic objectives, and legislative mandate, which are amongst others, to:

- provide effective, accurate and reliable communication to its stakeholders by implementing structured activities in a planned and structured manner;
- position the MQA as a recognisable brand amongst its existing and potential stakeholders in the mining and minerals sector, government, and the public at large;
- promote the MQA as a credible brand amongst its stakeholders;
- manage the reputation of the MQA by managing the perception of stakeholders guided by informed research; and
- maintain and implement good governance practices in the implementation of the Unit's roles and duties.

The communication process within the organisation is used to bridge the communication gap between the organisation and its stakeholders, improve performance, and customer service delivery. The Unit developed and implemented a range of communication, customer service, marketing, and public relations interventions, with an objective of communicating effectively with its stakeholders and protecting the organisation's brand and reputation. The crafting and dissemination of specific strategic messages to the identified target audiences is what drives the mandate of the Unit. During the year under review, the Unit focused on the following deliverables:

5.3.1. STRATEGY IMPLEMENTATION

The implementation of customer service and communications activities are aligned to the Board-approved 2020–2025 Communication Strategy, which was reviewed in November 2021. The strategy is implemented in line with the MQA Strategic Plan, the DHET Annual Performance Plan (APP), and the allocated budget.

5.3.2. 2022–2023 OPERATIONAL PLAN

A Communication Strategy supporting the 2022–2023 Operational Plan was compiled and circulated to Management on 25 May 2022. This was to ensure that the performance milestones were effectively met. The Operational Plan is updated regularly as activities are implemented.

5.3.3. BUDGET MONITORING

All the activities were implemented by the Unit against the allocated and approved customer service and communication budget for the year under review. There was an increase in the expenses budget, which was due to the increased demand of various communication and marketing activities from the organisation. Due to the insufficient allocated budget to the Unit, a budget review was requested and approved to avoid an over expenditure. The budget is a critical enabler in the effective implementation of most of the Unit's planned projects. The allocation of insufficient budget can negatively impact the execution and progress of planned activities. The budget was reviewed and requested, and an additional budget was approved. A total of 135% was spent with an actual spend of R4 154 841,52 of the R3 068 529,00 approved budget due to a number of unplanned activities.

5.3.4. RESEARCH

5.3.4.1. Stakeholder Satisfaction Survey Action Plan

In line with the Annual Performance Plan (APP) the MQA conducts the Biennial Stakeholder Perception Survey. The survey was conducted and completed with the submission of a detailed report in March 2022, including the survey feedback and recommendations for improvement.

An Action Plan listing the recommendations was compiled and proposed actions were executed by the various Units. Responsible Units implemented the proposed actions, and these were documented in an Action Plan. The Action Plan was approved by the Executives before the commencement of the 2023 Stakeholder Satisfaction Survey.

5.3.5. MARKETING AND COMMUNICATION INTERVENTIONS

5.3.5.1. Organised Event Management Activities and Support Interventions

Several planned activities were organised and supported by the Unit throughout the year. In other instances, the unit supported the organisation with various activities for the success of their events. Below are some of the events and activities that took place during the 2022–2023 financial year.

Hybrid Annual Consultative Conference

In line with the Unit's Operational Plan, the MQA successfully convened a hybrid Annual Consultative Conference (ACC) during the third quarter of the 2022–2023 financial year. The event follows the tabling of SETA Annual Reports in Parliament. The event was held at the Anew Parktonian Hotel in Braamfontein, Johannesburg on Friday, 4 November 2022. A hybrid ACC event was hosted with over two hundred and ten (210) stakeholders attending. The MQA traditionally convenes the Annual Consultative Conference (ACC) either during the last week of October or the first week of November. The total number of stakeholders planned to attend was two hundred (200), however close to two hundred and ten (210) stakeholders attended the event. These included close to one hundred (100) stakeholders attending physically and one hundred and ten (110) attending virtually. The use of a digital banner at the 2022 ACC intended to display the work the organisation has done during the year under review, heightened the status of the event.

The programme of the day was facilitated by one of South Africa's economists, Mr Sifiso Skenjana. The official opening of the event was conducted by Mr David Msiza, the Chairperson of the MQA Board. The Acting Chief Executive Officer (ACEO), Dr Thabo Mashongoane presented an overview of the 2021–2022 overall performance of the MQA. During the second phase of the conference, three panel members were invited from the sector to share their views on various topical issues affecting the sector. The panel members were carefully selected to tackle the various subtopics in line with the theme "A time for stability, growth and technological skills enhancement". Amongst the panel were Kgosana Hamilton Lazarus Montsho from the village of Moruleng in the North West who unpacked the topic "The MQA's notable inroads in developing the mining communities". Mr Harmut Brodner from the CSIR addressed the topic "Innovation for the transformation of the mining sector" and Ms Nkateko Matokane, an MQA beneficiary from the Centre of Specialisation (COS) shared her testimony with the delegates on how the MQA assisted her to realise her hopes and dreams of becoming a Qualified Artisan – Diesel Mechanic. This was one of the success stories where the MQA displayed the impact it has made.

Invest in African Mining Indaba

During the year under review, the Customer Service and Communication Unit successfully participated at the two Investing in African Mining Indabas that took place at the Cape Town International Convention Centre (CTICC). The first was hosted from 8 to 12 May 2022 and the second from 6 to 9 February 2023. The Mining Indaba is a Department of Mineral Resources and Energy (DMRE) event hosted together with State-Owned Entities (SOEs) that include entities such as Mintek, the Council for Geosciences, the Mine Health and Safety Council, Mandela Precinct, CSIR, State Diamond Trader as well as the MQA. A DMRE South Africa Pavilion is established as a base for engagement and to highlight various services offered to support the mining and mineral sector under one roof.

Once again stakeholders were enthusiastic, ready to share in the programme that was planned for the event. Both events had record attendance of at least six thousand (6 000) delegates attending in-person and an overwhelming number of virtual attendees from around the world whose common goal was to engage on various topics that affect the mining and minerals sector. The delegates included Presidents, Ministers, government representatives from South Africa, international and African countries; speakers; thought leaders; Chief Executive Officers from around the world and the African diaspora; potential mining sector investors; mining sector industry subject matter experts; women empowerment groups; various youth groups and learners that have chosen careers in mining from various higher education institutions.

Comprehensive reports have been compiled and circulated to the Executives. The Investing in African Mining Indaba reports serves to inform the MQA Board and Leadership about the activities that transpired at the 2022–2023 events. Recommendations are made based on the discussions at the Mining Indaba event as well as to inform future participation considerations of the MQA as part of the State-Owned Entities (SOEs) under the Department of Mineral Resources and Energy (DMRE).

World Skills Conference and Competition

The Customer Service and Communication Unit successfully participated at the 2022 World Skills Conference and Competition events held at the Durban International Conference Centre (DICC) from 6 to 9 June 2022. The Unit offered support to the Operations Learning Programmes Unit by identifying two (2) beneficiaries to showcase their talent and jewellery skills as part of the DHET Try a Skill exhibition. Following the events, inputs formed part of the overall report shared with the Operations Learning Programmes for submission to the Executives.

International Literacy Day Celebrations

The Customer Service and Communication Unit supported the Stakeholder Relations Unit with the hosting of the International Literacy Day event held at the Waterkloof Secondary High School, in Rustenburg on 10 September 2022. Various promotional efforts were conducted by the Unit prior to the event such as staff and sector communication, as well as website and media adverts. The Unit assisted with the planning process as part of the coordinating team. It also assisted with the paperwork involved in appointing service providers.

On the eve of 9 September 2022, the day before the event, the Customer Service and Communication Unit was part of the team that worked with the appointed service provider to set up the venue, ensured that there was sufficient branding, and went through the running order of the day. Prior to the event, the speeches were compiled by the Unit for the speakers present. Being familiar with the hosting of the hybrid event platforms, the Unit played an advisory role to ensure the success of the event in partnership with the IT Unit. On the day, the Unit promoted the event on various social media platforms and ensured the efficiency of the proceedings in partnership with the Stakeholder Relations Unit. The event was also published in the bumper edition of the newsletter.

Stakeholder Engagement Forums

The Customer Service and Communication Unit supported the Stakeholder Relations Unit with the hosting of the Stakeholder Engagement Forums in various provinces around the country which were held during the month of November 2022. Various promotional efforts were conducted by the Unit prior to the event such as staff and sector communication, as well as website and media adverts. The Unit assisted with the planning process as part of the coordinating team. The Customer Service and Communication Unit ensured sufficient branding at all the venues and promoted the events on social media platforms on the days the events were hosted. The event will also be published in the bumper edition of the newsletter.

Mopani TVET Artisan Recognition Ceremony

The MQA attended the Mopani TVET College Artisan Recognition Ceremony that was held at the Mopani TVET college on 5 August 2022. The Customer Service and Communication Unit supported the Learning Programmes Unit with the coverage of the recognition ceremony on all social media platforms where the five Centre of Specialisation (CoS) qualified artisans were recognised. An article was also compiled and published in the external newsletter.

My World

During the year under review, the Customer Service and Communication Unit successfully hosted two My World events for their internal stakeholders. The first was hosted in collaboration with the Facilities and HR Units on 18 July 2022. The theme of the event was "Decluttering my World for 67 minutes on Mandela Day". The second My World event was hosted on 20 January 2023 with the theme "Eliminating Workplace Risks". A presentation was given for staff to recognise the key pillars of communication in the workplace. The aim of the event was to enlighten staff on the importance of eliminating workplace reputational risks. These events were well received by all staff members.

Mine Health and Safety Council OHS Tripartite Summit

The Mine Health and Safety Council hosted the Occupational Health and Safety Tripartite Summit from 13 to 14 October 2022 at Gallagher Estate in Midrand, Gauteng. The event was hosted under the theme "Zero Harm in our Lifetime". The MQA was invited to exhibit and to conduct a presentation at the event. The Customer Service and Communication Unit represented the MQA and successfully participated at the event by attending the conference, exhibiting, and sharing MQA-related information with close to one thousand (1 000) delegates that attended the event. The MQA Chief Executive Officer, Dr Thabo Mashongoane also presented to the delegates on the role the MQA is playing in the sector and the country in terms of Occupational Health and Safety. The MQA's participation at this event was promoted on the various MQA social media platforms, and an article will be published in the upcoming newsletter bumper edition.

Council for Geosciences Summit

The Council for Geoscience (CGS) hosted a Summit and gala dinner in celebration of the 110 years of its existence at the Durban International Convention Centre in KwaZulu-Natal from 25 to 26 October 2022. As a valued stakeholder and entity of the Department of Mineral Resources and Energy the MQA was invited to attend and participate. The MQA successfully participated at the event which aimed to bring together critical stakeholders that have benefitted from and contributed to the development of geoscience over the years.

The conference programme showcased a range of talks from industry, academia, public service and more. The conference was an opportunity for knowledge exchange, networking and showcasing current developments from various sectors.

Artisan Graduation for Centre of Specialisation

The DHET hosted the Artisan Graduate ceremony for learners participating in the Centres of Specialisation programme on 29 November 2022 at Emperors Palace in Kempton Park. The MQA successfully participated at the event which was aimed at celebrating and recognising the efforts and achievements of participating artisan learners.

Sekhukhune TVET Skills Development Centre

The Customer Service and Communication Unit supported the Stakeholder Relations Unit with the hosting of the MQA collaboration with the Wholesale and Retail (W&R) SETA, and hosted a stakeholder Support/Pledge Forum on 27 January 2023 at the newly developed Sekhukhune TVET College Skill Development Centre in Groblersdal. The main objective of the Support/Pledge Forum was the response by the MQA to the call made by the Sekhukhune TVET College to construct a skills development centre as part of the organisations' ongoing efforts to support community-based initiatives, and for the MQA to make a call to the mining and minerals sector to support the completion of the R131 million Skills Centre Project that was funded by the W&R SETA.

Apel Off-Grid Computer Lab Launch

The Customer Service and Communication Unit supported the Stakeholder Relations Unit with the project of the Minister of Higher Education, Science and Innovation, Dr Blade Nzimande, as he launched and opened an off-grid computer lab at Moloke Primary School. The lab will be used by the learners and young people studying in Sekhukhune to connect to the Internet. The event took place in Limpopo, Apel, at a village called Mankotsana. The computer lab consists of two connected 12-meter upcycled storage containers with computers powered by solar energy to bridge the digital divide for learners in disadvantaged communities. The laboratory will serve as a learning centre for skills in

computerisation and allow learners to embrace the new digital age. It will also allow them to find information that will help them make more informed decisions about their future careers.

5.3.6. PRINTED MEDIA

5.3.6.1. Advertisements

The MQA publishes advertisements to promote its services, communicate new developments and to invite stakeholders to various skills development activities taking place. A total of fourteen (14) adverts were published during the year under review which included tenders, marketing and promotion. Recruitment advertisements were published on the MQA social media platforms.

5.3.6.2. MQA Newsletter (Printed and Electronic Flip Book)

The Unit compiled and distributed one bumper newsletter issue during the year under review. Printed copies were distributed to companies, training providers and learners on MQA programmes. The electronic flip book version was uploaded onto the MQA website, MQA's social media handles and emailed when requested. The MQA News continues to be one of the communication channels that stakeholders regard as a positive communication medium that keeps them informed about the MQA.

5.3.6.3. Marketing Materials (Printed)

The MQA produces a range of marketing materials such as brochures to inform stakeholders about the role of the MQA, learning programmes the MQA has available as part of their discretionary projects and that they should participate in, and highlights the benefits of skills development as well as other programmes such as career guidance that takes place as part of the services of the organisation.

5.3.6.3. Staff and Stakeholder Communiqués

The MQA produces staff and stakeholder communiqués to communicate pertinent information related to the business of the MQA. Annual Report (2021–2022).

The 2021–2022 MQA Annual Report was compiled timeously and delivered in compliance with the Auditor-General of South Africa (AGSA) and parliamentary requirements. The Annual report was submitted at the end of August 2022 and tabled in Parliament by the Department of Higher Education and Training (DHET) in November 2022. No parliamentary questions were received pertaining to the Annual Report post tabling. The Annual Report was also tabled by the Chief Executive Officer (CEO) at the Annual Consultative Conference held on 4 November 2022 in Johannesburg. The Report was distributed to all government departments in line with the Parliamentary distribution list, as well as to the National Libraries. Additional requests were received for printed copies. The report was also uploaded onto the MQA's website.

5.3.7. ELECTRONIC MEDIA

5.3.7.1. Website Maintenance

The Customer Service and Communication Unit continued to be responsible for the content management of the website. During the year under review, it uploaded forty-one (41) website posts on behalf of the various MQA units.

5.3.7.2 Social Media

The MQA uses social media as one of the tools to disseminate key messages and communicate with its stakeholders. It is active on four platforms namely, Facebook, Twitter, Instagram and YouTube.

Twitter Posts, Engagements and Reach

The page followers for the period under review grew to eight hundred and three (803). The table below depicts the number of posts, audience engagements and impressions for the period under review:

Activity	Posts	Audience Engagements	Impressions
Total	392	2 661	57 610

Facebook Posts, Engagements, Reach and Impressions

The page followers for the period under review grew to 6 495. The table below depicts the number of posts, audience engagements, user reach and impressions for the period under review:

Activity	Posts	Audience Engagements	User Reach	Impressions
Total	400	19 856	4 016	228 536

Instagram Posts, Engagements and Reach

The page followers for the period under review grew to one thousand and one (1 001). The table below depicts the number of posts, audience engagements, and impressions for the period under review:

Activity	Posts	Audience Engagements	Impressions
Total	308	1 589	29 689

YouTube Channel

The MQA YouTube channel grew to a total of forty-eight (48) subscriptions, with one thousand five hundred and fifty-six (1 556) views during the year under review.

The Customer Service and Communication Unit consistently monitors comments on social media to safeguard the reputation of the MQA and engages with concerned units where challenges exist. Key to the success of corporate social media is the 'paid for' boosting services as well as allocating influencers. This is an engagement that will be necessary for the MQA going forward.

5.3.8. CUSTOMER SERVICE

The Customer Service role within the MQA includes the management of the Customer Relationship Management (CRM) system, frontline face-to-face and telephone monitoring at MQA's receptions, as well as conducting research on stakeholder perceptions.

5.3.8.1. CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

The Customer Relationship Management (CRM) system focuses on the creation of cases, recording and reporting of stakeholder interactions and tracking their resolution. The monthly generated reports highlight the resolved cases in each unit. Every stakeholder complaint received is assigned a case number to enable the stakeholder to follow-up using the case reference number if the query is not resolved timeously. The MQA CRM functionality is limited in that it is not organisation-wide and is also reactive in nature so there is no tracking of the status of queries. For it to be effective, a proactive system used by the entire organisation with tracking and escalation functionality will serve the organisation best.

There were thirty-six (36) compliments and two thousand eight hundred and sixty-three (2 863) resolved queries received from the units, recorded onto the CRM system and resolved between 1 April 2022 and 31 March 2023.

5.3.8.2. FRONTLINE AND TELEPHONE SERVICES

Telephone Services – Head Office

The MQA's key offering is service professionalism which is one of the MQA values. The frontline staff members strive to offer that service to all MQA stakeholders. The number of telephone calls received as well as those not attended to is monitored through a report generated by an external service provider, namely Comtech. The total number of calls made to head office for 2022–2023 was forty-eight thousand seven hundred and two (48 702). Out of the total calls, thirty-eight thousand three hundred and twenty-eight (38 328) calls were answered, and ten thousand three hundred and seventy-four (10 374) calls were unanswered.

Frontline 'Walk-in' Report and Ongoing 'On the Spot' Stakeholder Feedback

The number of visitors that access the MQA are monitored through a manual registration system at all MQA receptions. A total number of walk-ins throughout the MQA for the 2022–2023 period under review were recorded as follows:

Number of Walk-Ins Throughout the MQA for 2022–2023							Total
Head Office	Eastern Cape	Free State	Limpopo	Mpumalanga	Northern Cape	North West	All MQA Offices
3 002	70	187	891	207	224	111	4 692

Results of Stakeholder Customer Service Experience with the MQA: Daily Snapshot Survey

As part of the ongoing monitoring of service, stakeholders participate in a daily "Snapshot Survey" of their customer service experience when visiting the MQA front line reception desks across all MQA offices. Remedial action is ensured where issues are raised.

During the period under review, of the sixteen (16) stakeholders that visited the MQA and completed the "'my service experience with the MQA'" evaluation form, the results reflect that one (1) stakeholder was not happy with the service they received from the MQA employees, and fifteen (15) stakeholders were happy with the service received from the MQA employees.

5.3.9. CAREER GUIDANCE

Gauteng Province Achievements

The Customer Service and Communication Unit is responsible for the execution of the Gauteng province career guidance events. Fifteen (15) events took place during the 2022–2023 period from a target of ten (10).

5.4. FACILITIES AND OFFICE MANAGEMENT

The Facilities and Office Management Unit is staffed by a Facilities Manager, two (2) administrators, a security officer and seven (7) housekeepers and reports to the ECMS.

The Unit's core function is to ensure that the building is effectively and efficiently managed. The Unit strives to provide a clean, safe, and healthy work environment, while planning the efficient use of space.

The Unit's key competencies include the following:

- Technical operations and maintenance
- Occupational health and safety and emergency preparedness
- Space management
- Utilities management
- Infrastructure project management (excluding IT infrastructure)
- Resources
- Budget

The Facilities and Office Management Unit performs a wide range of activities and services that are involved in managing and maintaining our building and facility.

These services are critical in ensuring that the building is safe, functional, and efficient. The Unit's services encompass a wide range of activities and services that are designed to ensure the smooth functioning of our building. These services can be broadly classified into two categories, namely Soft Services in Facilities Management and Hard Services.

- Hard services are those services that are focused on the technical or mechanical aspects of the building or facility. These services include HVAC (heating, ventilation, and air conditioning), plumbing, electrical maintenance, and mechanical maintenance. Hard services are essential in ensuring that the building's technical systems are in good working order.
- Soft Services in Facilities Management encompass a wide range of services that are essential for maintaining the comfort, safety, and well-being of building occupants.
    - These services include cleaning services, such as vacuuming, dusting, and mopping floors, as well as waste management and recycling programmes.
    - Additionally, we facilitate and book meeting rooms, and assist with setup for catering. We also provide security services including access control, surveillance, and monitoring systems. These services are crucial in ensuring the safety of building occupants and preventing unauthorised access or criminal activities.

The Facilities and Office Management Unit recognises that it can contribute to the mission of the MQA in meaningful and quantifiable ways. The Unit makes use of key performance metrics, general feedback and collaboration with departments and thus ensures it is achieving the objectives that are important to both the MQA and its stakeholders. By achieving these broad strategic objectives, the Facilities and Office Management Unit will successfully achieve its mission and vision for the organisation to become recognised for providing excellence in the management of its facilities.

The overall performance of the Unit is deemed to be reasonable. The Unit's focus in some areas has been purely operational and the requisite strategic activities were omitted but will be the main focus in the upcoming year. The upcoming year will focus on critical aspects such as workspace standards, planned preventative maintenance, and space planning and strengthening occupational safety and health administration programmes.

The Facilities and Office Management Unit monitors and coordinates contractual activities such as courier services, document management, and the routine and annual maintenance of the generator.

5.5. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMPLIANCE

The MQA was evaluated in terms of Section 9(1) of the Broad -Based Black Economic Empowerment Amendment Act 53 of 2003 as amended by the Broad-Based Black Economic Empowerment Amendment Act, 2013 (Act No 46 of 2013). The B-BBEE Status awarded is non-compliant.
The following table depicts the compliance status of the organisation:

Criteria	Response: Yes/No	What measures have been taken to comply?
Determining qualification criteria for the issuing of licenses, concessions, or other authorisations in respect of economic activity in terms of any law.	No	N/A
Developing and implementing a preferential procurement policy.	Yes	The Preferential Procurement Policy was incorporated into Supply Chain Management (SCM) policy.
Determining qualification criteria for the sale of state-owned enterprises.	No	N/A
Developing the criteria for entering into partnerships with the private sector.	Yes	The MQA developed a partnership framework which include partnership with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBBEE.	Yes	The MQA considers equity imperatives when evaluating supplier bids.

SECTION 6

INFORMATION TECHNOLOGY

6. INFORMATION TECHNOLOGY

The Information Technology Unit is responsible for providing ICT infrastructure, computers, application software, mobile communication and first line support to all the tools of trade to achieve the following purpose:

To acquire and use Information and Communication Technologies (ICT) in a manner which:

- aligns the Information and Communications Technology strategy to the organisational strategy;
- leverages economies of scale to provide for cost effective Information and Communication Technology services;
- ensures the interoperability of its information systems with information systems of other institutions to enhance service delivery;
- ensures security of MQA information systems;
- uses Information and Communication Technologies to develop and enhance the delivery of services at MQA; and
- aligns the use of Information and Communication Technology by staff to achieve optimal service delivery.

6.1 UPGRADE TO AN INTEGRATED MANAGEMENT INFORMATION SYSTEM

Following the announcement by Microsoft to discontinue support to the popular web browser Internet Explorer, the MQA took a decision to upgrade its current Management Information System which was built to function well through the Internet Explorer web browser. The upgrade process commenced in May 2022 with the formation of a project steering committee that consisted of the project owner, sponsor and team led by internal and external stakeholders. Rigorous information gathering and change management sessions were held to ensure the upgrade would be a success and produced a system that would be fit for purpose. In addition to the latter mentioned sessions, a data cleansing was undertaken to ensure that data integrity was not compromised.

The system went live in December 2022. During this process read-only access to the old system was provided to the users for data verification. We are delighted to announce that the upgrade was a success. The fourth quarter SETMIS reporting was conducted through the new system and the Auditors General of South Africa audit under review was also conducted through this system. Thus far the report drawn from this system appears to be credible.

6.2 CYBER SECURITY AWARENESS

It is important that organisations host cyber security awareness programmes. Cyber security awareness programmes refer to the knowledge and understanding of potential security threats, risks, and best practices to protect against them in the online world. With the increasing reliance on technology and the Internet in daily lives, cybersecurity has become more important than ever before. These are some of the highlights of the cyber security information shared by the MQA IT Unit to staff:

6.2.1 How to protect yourself from social engineering attacks

Most social engineering attacks rely on simple human error. Make sure you're always following the latest fraud prevention tips and are aware of emerging cyber threats.

Follow these tips to secure yourself and your family from social engineering attacks:

- **Shrink your online footprint:** The less you share online and on social media the harder it is for hackers to target you. Avoid posting personal information. Even things such as real-time vacation pictures or your child's school's name can be used against you.

- **Install antivirus software:** Ransomware, malware, and spyware exist at unprecedented levels today. Don't let these harmful applications wreak havoc on your privacy.

- **Regularly check your credit report and bank statements:** Scammers are almost always after your financial accounts. Check for the warning signs of identity theft such as strange charges on your bank statement or accounts you don't recognise.

- **Always use two- or multi-factor authentication (2FA/MFA):** This is a second layer of security on all your accounts. If a hacker tricks you into sending your password, they still need a special code that only you have to gain access to your accounts.

6.3 DIGITISATION

6.3.1 Smart Boardroom

The Microsoft Teams Smart Boardroom simplifies the meeting process, making it more

streamlined and convenient. It provides a one-stop-shop for all the necessary tools and applications required to conduct a successful meeting, whether it's held in-person or remotely. With the smart boardroom, businesses can share files, presentations, and whiteboards, collaborate in real-time, and record the meeting for future reference.

The Microsoft Teams' Smart Boardroom also boosts productivity and efficiency. The solution enables teams to work seamlessly together, irrespective of their location, by providing them with all the tools and resources necessary for effective collaboration and communication. The smart boardroom's AI-powered features, such as facial and voice recognition enhance the participants' ability to engage with one another and focus on the meeting's content.

Regarding digitisation, the Microsoft Teams Smart Boardroom is an influential tool for businesses looking to modernise their operations. By leveraging the smart boardroom's advanced features, organisations can reduce their dependence on traditional, paper-based collaboration and communication methods. Additionally, the smart boardroom's integration with Microsoft's suite of productivity tools, including Office 365 and SharePoint, enables businesses to streamline their workflows and automate many routine tasks.

Overall, the Microsoft Teams Smart Boardroom is a significant advancement in the digitisation of modern businesses. With its advanced features and capabilities, the smart boardroom is assisting organisations to improve productivity, enhance collaboration, and modernise their operations for the digital age. The Block B Executive Boardroom project has already been completed, and the Block D Executive Boardroom project will be implemented during the 2023–2024 financial year.

6.3.2 Electronic Visitors' Registration

The visitor management process in Block B has been greatly improved by implementing electronic registration using Microsoft Forms and tablets. Tablets have been installed on secure stands at the reception, and visitors are required to complete a digital form to register their arrival, replacing the traditional paper-based logbook. This has resulted in a more efficient, streamlined, and secure registration process.

Microsoft Forms has played a significant role in digitising the visitor management process. In the case of visitor registration, it enables the creation of a digital registration form that can be tailored to meet the specific needs of the organisation. Real-time data analysis is also provided by Microsoft Forms, making it easier for administrators to monitor visitor statistics and improve the overall visitor experience.

Using Microsoft Forms in the electronic visitors' registration process has environmental benefits as well. By eliminating paper-based visitor logbooks, the organisation is reducing its carbon footprint and contributing to a more sustainable environment. Furthermore, the digital registration process ensures that visitor data is precise and up to date, increasing the security of the facility and protecting against unauthorised access.

Overall, the implementation of electronic visitors' registration using Microsoft Forms and tablets has positively impacted the digitisation of the visitor management process in Block B. Technology has enhanced efficiency, security, and environmental sustainability, making it a valuable investment for organisations seeking to modernise their operations.

6.3.3 Electronic Declaration Forms

The utilisation of Microsoft Forms for electronic declaration forms has transformed the way businesses manage their meetings. With the electronic declaration form, attendees can now declare their affiliations and interests in topics being discussed during the meeting, replacing the need for paper-based forms, resulting in a more efficient, secure, and streamlined meeting process.

The use of Microsoft Forms in this digital process has significantly impacted the digitisation of meetings. With Microsoft Forms being a cloud-based application, it enables the creation of customised digital forms that cater to the specific needs of an organisation. Additionally, the platform provides real-time data analysis, making it easier for administrators to track declaration statistics and improve the overall transparency of meetings.

Moreover, the electronic declaration process ensures that attendee data is up-to-date and accurate, further enhancing the transparency of the meeting and preventing conflicts of interest.

In summary, the integration of Microsoft Forms for electronic declaration forms has positively impacted the digitisation of the meeting

process. This technology demonstrates how digital solutions can be leveraged to improve the efficiency and effectiveness of traditional business practices.

6.4 MICROSOFT CUSTOMER RELATIONSHIP MANAGEMENT 365

Technology evolves thus it is vital for organisations to take advantage of this to enhance their operations. Microsoft introduced a new version of its popularly known Customer Relationship Management (CRM) system which is now called Microsoft Dynamics CRM 365.

This brought an opportunity to the MQA to embark on a process to upgrade the current version of the CRM to a newer version of the system. The upgrade also meant an improvement to and streamlining of other processes within the Customer Service and Communication Unit.

The upgrade commenced in 2022 and has reached the final stage which is the user acceptance testing (UAT) stage. The UAT has been signed off and the switch over from the old to the new version of the system has been completed. The system is now in use.

6.5 EXPANSION OF THE IT BUSINESS UNIT

The recruitment process for a Business Analyst (BA) has started. The roles and responsibilities of the BA are the following:

- Analysing and evaluating the current business processes a company has and identifying areas of improvement.
- Researching and reviewing up-to-date business processes and new IT advancements to make systems more modern.
- Project planning and documentation management.
- Refining user stories.
- Communicating proposed solutions to stakeholders based on the analysis undertaken.
- Presenting ideas and findings in meetings.
- Developing, maintaining and continuously improving the MQA systems comprising the core business Management Information System and support services systems.
- Ensuring that the MQA Management Information system and other systems are fully integrated across all MQA operational units.
- Establishing and leading an MQA stakeholder and MQA staff forum for the MQA Management Information System and other systems.
- Establishing and leading a Governance Forum for the MQA Management Information System and other systems.
- Assisting with management of service level agreements with various service providers.
- Managing, developing and continuously improving training materials and processes of the MQA Systems for all MQA stakeholders and staff.
- Managing, developing and implementing an electronic monitoring and reporting system that reports on MQA key performance areas as identified in the annual business plan.

The purpose to insource the roles and responsibilities of a Business Analyst is to ensure there is no disconnect between the ICT business and the organisation's operations.

6.6 IMPLEMENTATION OF THE SOFTPHONES SOLUTION (MICROSOFT TEAMS)

The softphones pilot project was reported in the previous financial year. The pilot project was executed over a period of one year, starting from 1 April 2021 until 31 March 2022 and it was successful. The use of Microsoft Teams was fully implemented during the year under review commencing November 2022.

The system is now fully functional and has been well received by both internal and external MQA stakeholders. The implementation approach was based on different stages. The first stage focused on upgrading from the old to the new telephone system and the last stage focused on system enhancements and activation of new features associated with the CRM 365. The activation of the new features has commenced. The softphone solution exemplifies how technology can be used to enhance the efficiency and effectiveness of traditional business practices.

6.7. CONCLUSION

The Information Technology Unit's business ethics culture is good. Policies and procedures are in place to guide the Unit to govern appropriately and to engender morals, values and ethics amongst the IT personnel, so the Unit can conduct its business in an exemplary and professional manner. Information and Communication Technology renders a business more effective to promptly respond to business needs by ensuring that systems are always fully functional.

SECTION 7

RISK, MONITORING, AND EVALUATION

7. RISK, MONITORING AND EVALUATION AND QUALITY ASSURANCE

Strategy is inextricably intertwined with monitoring and evaluation (M&E). In order to determine the impact of the MQA's return on investment in the mining and minerals sector's training programmes against the number of people trained, the Board established the Risk Monitoring and Evaluation Unit. It is an integral part of the MQA's value chain and it contributes towards, among other things, organisational strategy, planning, monitoring, impact assessment and evaluation. Risk management enables the organisation to track its impact on skills development in the sector.

The Unit's key roles and responsibilities focus on providing strategic support to the MQA to achieve the following goals:

- monitoring compliance with the MQA's policies, procedures and legislation throughout the MQA and its service providers;
- ensuring the validation of actual performance against source documents prior to the information being submitted and reported to the executive authority; and
- conducting site visits (physical or desktop verification) to the MQA's levy-paying companies and other projects to ascertain the following in respect of all learners that are eligible for grants:
  - accuracy;
  - existence;
  - completeness; and
  - compliance with relevant legislation and MQA policies.

Utilising a risk-based approach takes up the issues raised in previous reports and the adequacy and effectiveness of existing compensating controls and programmes, taking specific challenges into consideration:

- conducting evaluation to ensure the relevance, effectiveness and efficiency of the MQA's policies, and that project methodologies selected are designed to achieve the organisation's strategic objectives; and
- ensuring the MQA adopts a zero-tolerance approach to fraud and corruption. This applies to both internal and external parties.

7.1. MONITORED PROJECTS

Monitoring is an ongoing process that focuses on the assessment of projects, programmes and day-to-day activities and deliverables required for achievement and performance. It is for this reason that the Unit conducted three hundred and four (304) learner verifications to ascertain whether learners are eligible for grants and are receiving training as per their training plans, MoAs and SLAs signed with the MQA. A total of eight thousand six hundred and twenty-four (8 624) verified learners in ten (10) different projects was monitored against the planned target of nine (9). Against the annual target of 100%, the unit monitored 111% of the programmes during the financial year.

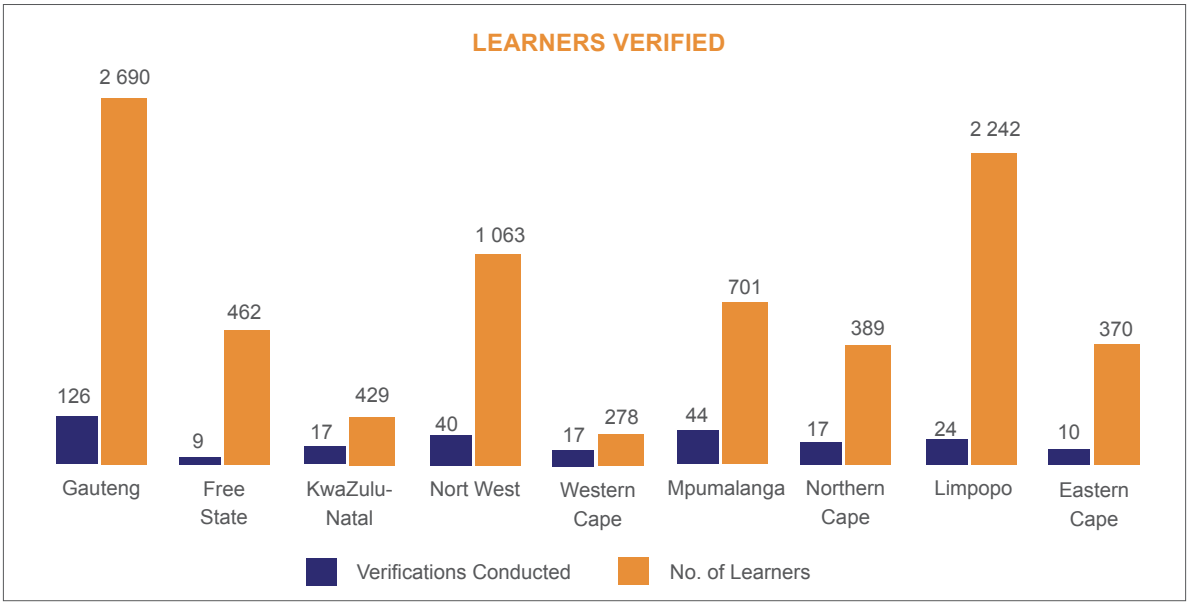
The table below reflects the number of times monitorable programmes were verified in the current financial year:

Monthly verifications conducted for the financial year 2022–2023: The achievement for the year is 111%:

NO	PROGRAMME	Number of Verifications	Percentage per Programme
1	Artisans	14	5%
2	Internships	89	29%
3	Lecturer Support	2	1%
4	Non-Artisan Core and Jewellery	25	8%
5	TVET NCV Graduates Work Integrated	37	12%
6	Mine Community Unemployed Youth Development	59	19%
7	Work Experience	49	16%
8	MEDP	10	3%
9	Workplace Mentors and Coaches	13	4%
10	Candidacy	6	2%
	Total	**304**	**100%**

Province	Q1		Q2		Q3		Q4	
	Number of Verifications	No. of Learners	Number of Verifications	No. of Learners	Number of Verifications	No. of Learners	Number of Verifications	No. of Learners
Gauteng	28	201	41	729	24	610	33	1 150
Free State	1	40	2	135	3	52	3	235
KwaZulu-Natal	2	74	7	230	4	12	4	113
North West	8	241	14	152	10	231	8	439
Western Cape	4	7	4	30	4	122	5	119
Mpumalanga	2	7	19	224	9	45	14	425
Northern Cape	4	12	8	29	6	125	6	223
Limpopo	3	88	27	677	8	171	23	1 306
Eastern Cape	0	0	5	81	2	174	3	115
Total	**52**	**670**	**127**	**2 287**	**70**	**1 542**	**99**	**4 125**

Number of verifications and learners verified per province



7.2. TRACER STUDIES

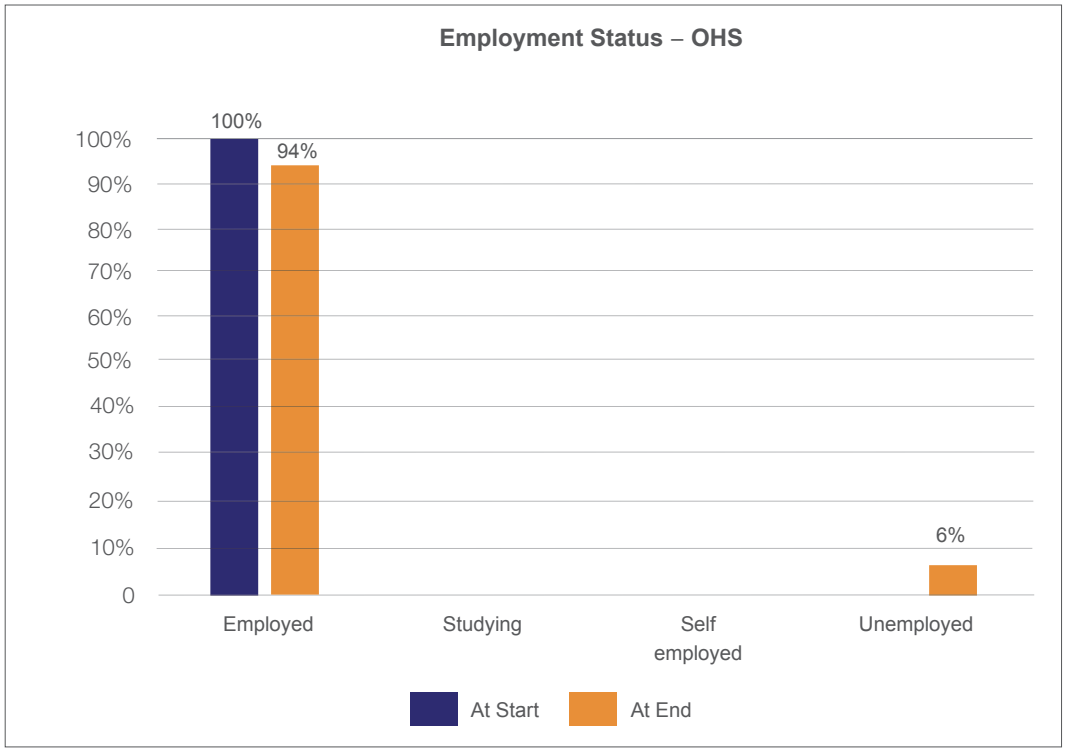
The Unit is tasked with conducting tracer studies (value for money analysis). The MQA's tracer studies are aimed at investigating and exploring the level of the MQA's contribution to the advancement of skills development within the mining and minerals sector, and the transformation made by the MQA's grants in supporting the programmes. It involves tracing the whereabouts of former beneficiaries to determine what has happened in their careers and their lives during and after completion of their respective programmes. This is also aimed at analysing the outcomes of MQA-funded programmes and their impact.

During the year under review M&E achieved the set APP target of three tracer studies as the following three tracer studies were conducted:

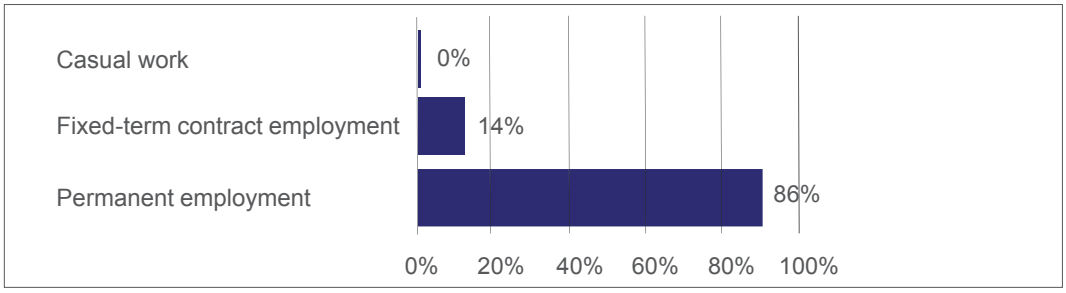
- Employed Occupational Health and Safety Tracer Study;
- Small Scale Mining; and
- Unemployed Youth Development.

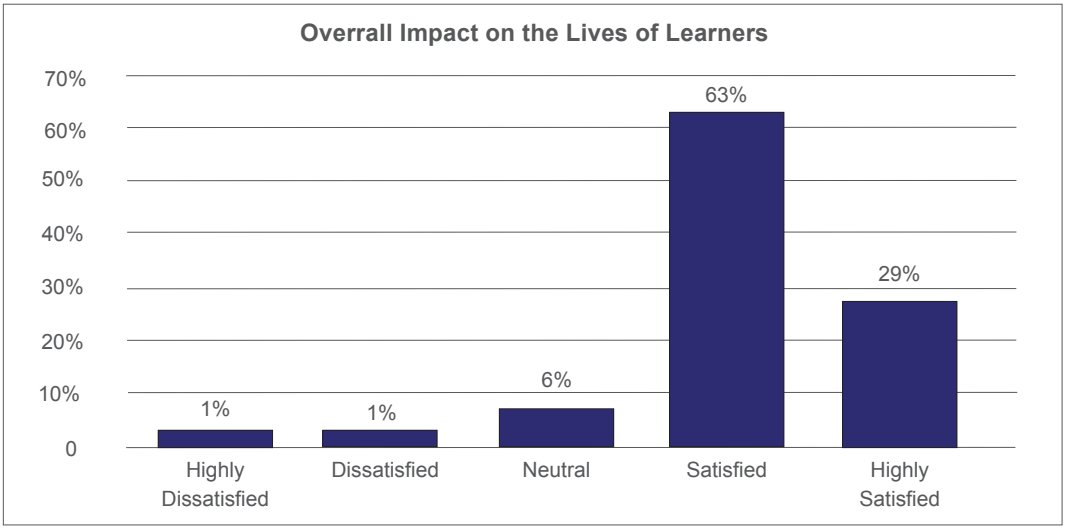
Some of the findings from the tracers are as follows:

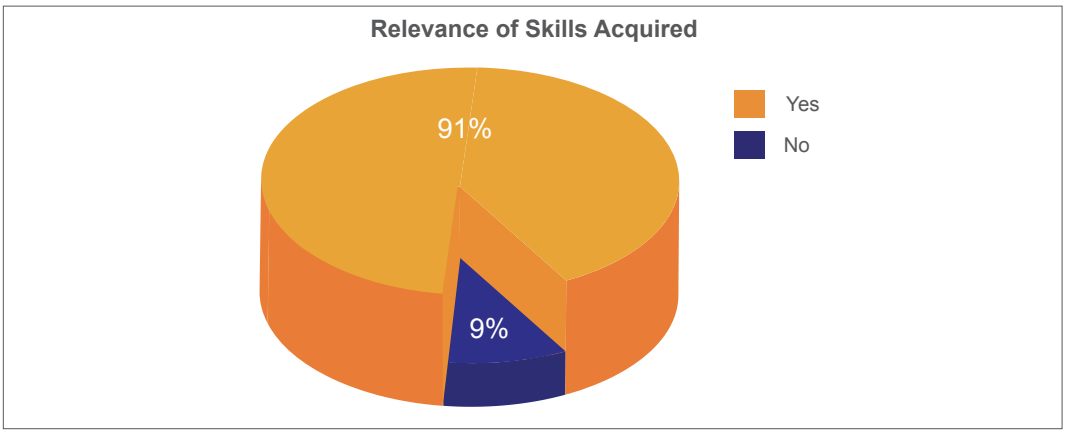
7.2.1. Employed Occupational Health and Safety Tracer Study



The Nature of the Employment Contract

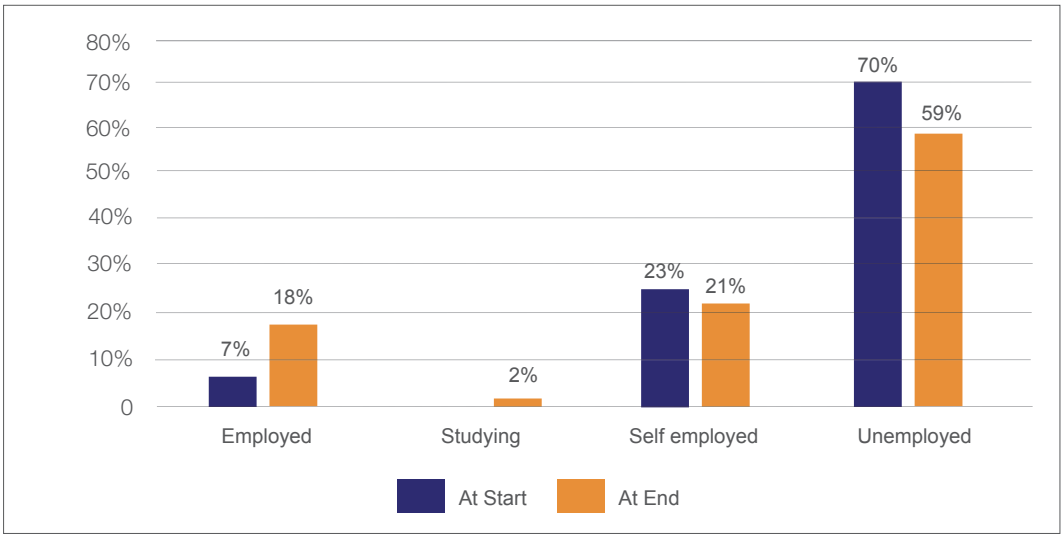




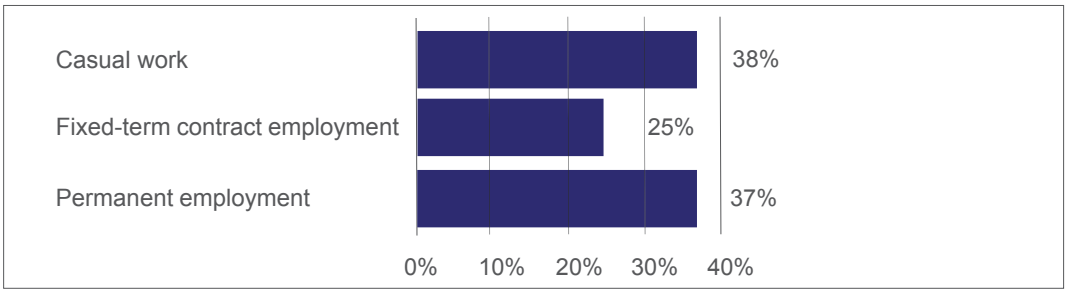


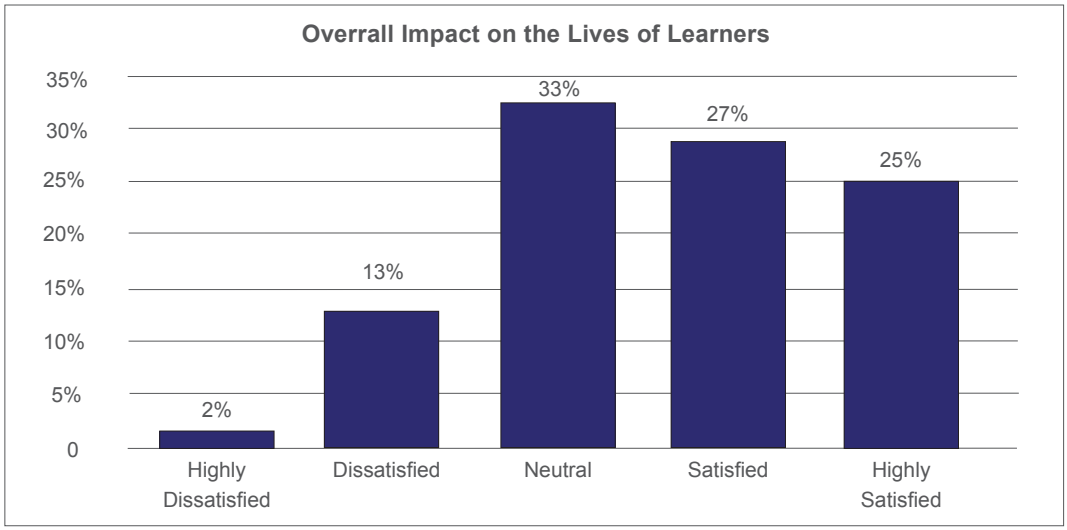
7.2.2. Small Scale Mining

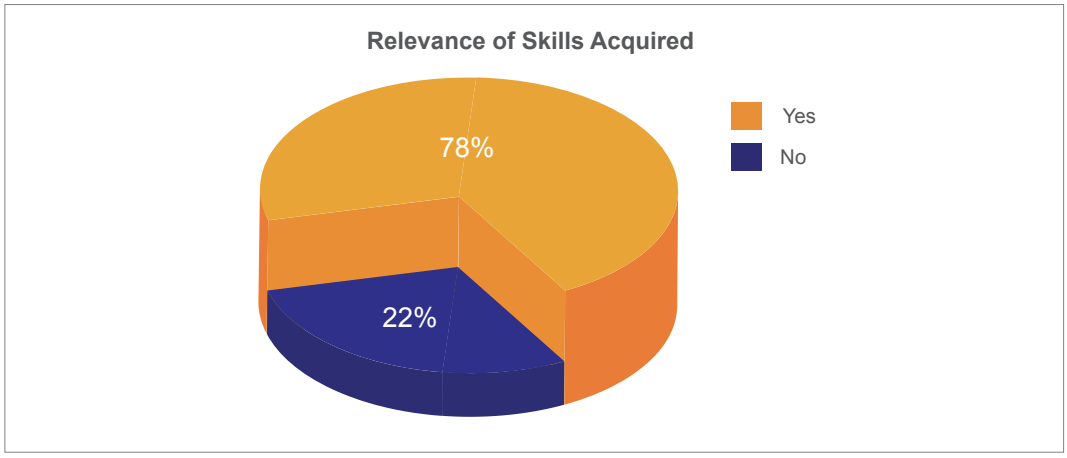
Programme Impact



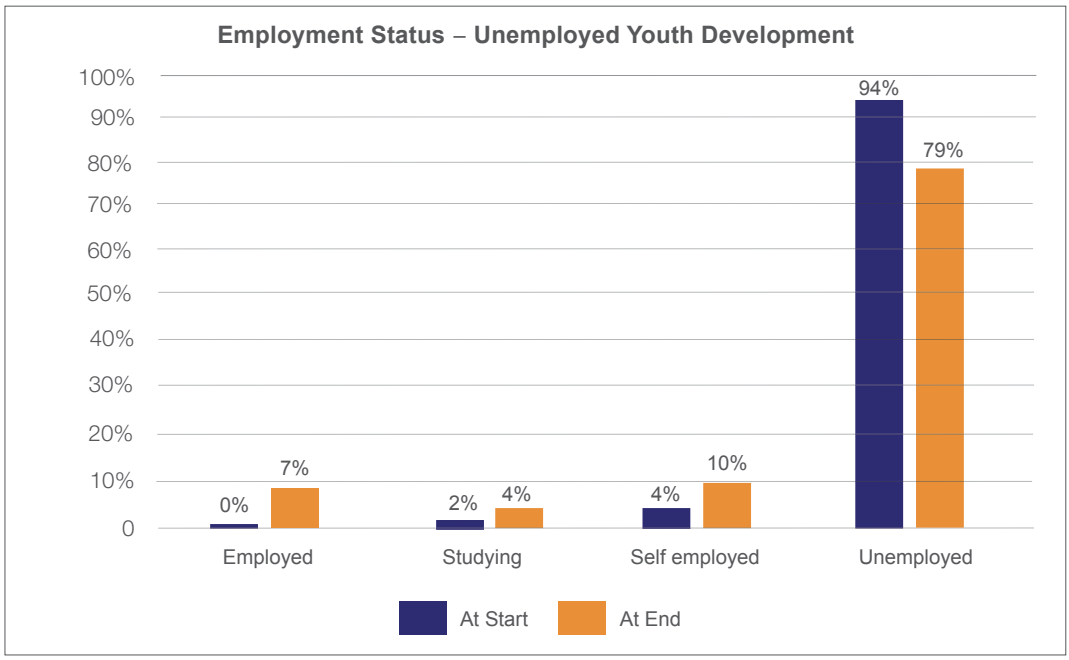
The Nature of the Employment Contract



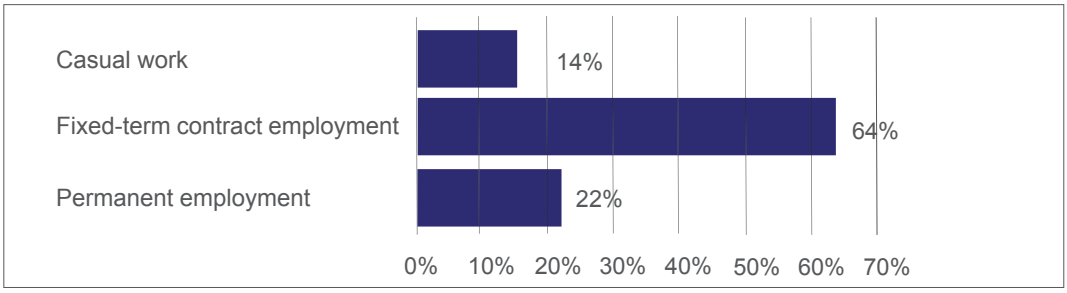


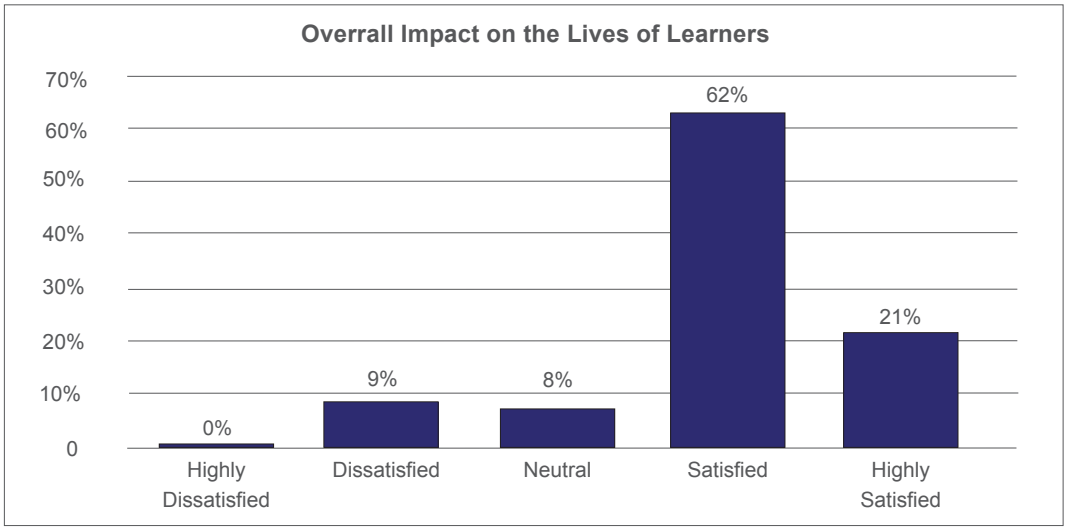


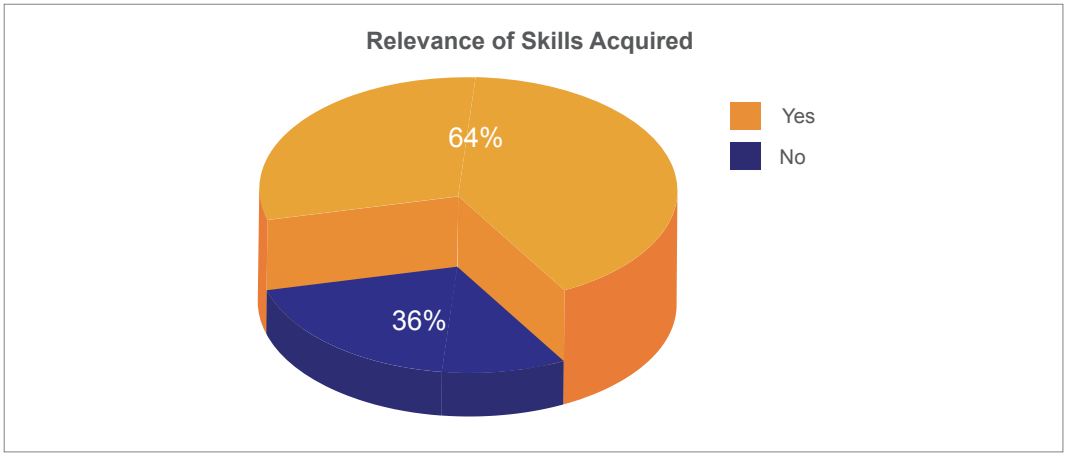
7.2.3. Unemployed Youth Development



The Nature of the Employment Contract







7.3. AUDIT TRACKING

During the year under review, the external audit tracking register for the 2021–2022 audit report, as well as the 2022–2023 interim audit report were developed and monitored. Management was assisted in developing action plans that do not only consider the external auditors' recommendations, but most importantly address root causes to prevent recurrence. The status on the tracking registers was presented to management, the joint Audit, Risk and Finance Committee and the Board.

7.4. PERFORMANCE MANAGEMENT

The MQA's strategic objectives are implemented and tracked through the APP in five (5) different programmes. The Unit provided assurance that the MQA's performance information for each quarter fairly reflected the actual achievements against planned objectives, indicators and targets as per the SLA and APP.

7.5. RISK MANAGEMENT

The MQA Board has approved the Risk Management Policy and Strategy. As part of policy implementation, the strategic and operational risk registers were compiled subsequent to the risk assessment workshops that were held and approved by the Board during the 2022–2023 financial year. Risk assessment exercises are conducted once a year and the registers are updated regularly with the review of the residual risk as and when the implementation of the action plans necessitate this. Emerging risks are considered when registers are updated. Risk registers are presented to the joint Audit, Risk and Finance Committee and the Board on a quarterly basis.

7.6. FRAUD AND CORRUPTION PREVENTION ACTIVITIES

The MQA has adopted a zero-tolerance approach to any form of fraudulent activities. To this extent, a fraud hotline is operational, and the external service provider-supplied fraud hotline reports on a monthly basis.

The reports were presented to the joint Audit, Risk and Finance Committee and the Board on a quarterly basis. The MQA has also revised its Fraud and Corruption Policy.

7.7. POLICIES AND FRAMEWORKS

The following approved policies and strategies are being implemented:

- Monitoring and Evaluation Policy Framework;
- Risk Management Policy and Strategy; and
- Fraud and Corruption Policy.

SECTION 8

REPORT OF THE AUDIT AND RISK COMMITTEE

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2023.

Background

The Committee is a sub Board committee constituted in terms of Section 51(1)(a)(ii) and 76(4) (d) of the Public Finance Management Act (PFMA), read together with the National Treasury Regulation 27(1). The role and responsibility of the Committee are provided for in its Terms of Reference and any other duties delegated to it from time to time by the Accounting Authority (the Board).

Terms of Reference

The Committee has adopted formal Terms of Reference (Charter) which were approved by the Board. Furthermore, the Committee reports that it regulated its affairs and discharged its responsibilities in compliance with its adopted Charter and the PFMA, read in conjunction with the National Treasury Regulations.

The Committee has discharged its functions through attendance of Committee meetings and discussions with Executive Management, Internal Audit, Auditor-General of South Africa and relevant external advisers where appropriate. The Committee is required to meet at least four times per annum, with the authority to convene special meetings as circumstances might require.

Membership and Attendance

The Committee's Charter prescribes that it be constituted by three independent members as well as representatives from each constituency, which includes organised labour and organised employers. For the financial year under review, the Committee met four (4) times, as per its terms of reference which require a minimum of four meetings per annum. The Committee also convened three (3) special meeting to consider and recommend reports of the Auditor-General; Internal Audit reports; and the review of the SCM and other policies for Board approval. Below are details of meetings held during the year under review:

MEMBER	CONSTITUENCY	MEETING ATTENDED							FEES RECEIVED R'000
		20 May 22	25 Jul 22	1 Aug 22	25 Oct 22	15 Nov 22	26 Jan 23	13 Feb 23	
Adv J.C. Weapond	Independent	√	√	√	√	√	√	√	R117
P. Phukubje*	Independent	√	√	√	√	√	√	√	R178
M. Sikhosana	Independent	√	√	√	√	√	√	√	R85
A. Atlee	Organised labour	√	√	√	√	√	√	√	R219
H. Jansen van Vuuren	Organised labour	√	√	√	√	√	√	√	R173
S. Dlamini Mthethwa	Organised employer	√	√	√	√	√	√	√	R111
E. Howes	Organised employer	√	√	√	√	√	√	√	-

* Chairperson of the Audit and Risk Committee

The Members of the Committee have the requisite qualifications, skills and experience in Business, Finance, Accounting, Internal Audit, Risk Management, Information Technology, Legal and Compliance Management.

The Role and Responsibilities of the Committee

The Committee assists the Board in discharging its oversight responsibilities which include the evaluation of the adequacy and efficiency of accounting policies, internal controls, financial reporting processes, and technology and information governance.

The Chairperson, on behalf of the Committee, reports to the Board on a quarterly basis regarding the Committee's deliberations, decisions, and recommendations in line with the approved Charter.

The key focus areas of the Committee for the 2022–2023 financial year include the following:

- Provide assurance over the integrity of the MQA's financial statements and accounting policies;
- Provide assurance on the effectiveness of the internal control, governance and risk management systems;
- Review the internal audit, risk management, compliance and IT control environment;
- Review key risk and opportunity management, including mitigation plans; and
- Monitor the performance against predetermined objectives/performance information.

Internal Audit

During the year under review, the Internal Audit function was outsourced to a service provider. The Internal Audit Charter and the Internal Audit Plans were approved by the Committee in accordance with the Internal Auditing Standards and its Charter. The Committee hereby confirms that the Internal Audit Function has unrestricted access to all documents it requires to fulfil its function.

For the year under review the Internal Audit function focused on key areas of risk, weaknesses in internal controls and through the reports, it was evident that the control environment significantly improved.

The Effectiveness of Internal Control Environment

The Committee noted the significant improvement in the internal control environment both on the financial management and performance information. The MQA has attained the desired audit outcome commonly known as a clean audit for two consecutive financial years i.e., no material misstatements were noted in the annual financial statements, no material non-compliance were noted, and no material misstatements were noted on reliability and usefulness of reported performance information. The Committee intends to enhance its oversight to ensure that the audit outcome is further sustained in the upcoming financial years.

Implementation of corrective actions

The AGSA's review confirms that a number of the audit commitments made in the prior year were implemented through the implementation of appropriate corrective actions.

Risk Management

The Board has assigned oversight of the MQA's risk management function to the Committee. The Committee fulfils an oversight role regarding the risks of financial reporting, internal financial controls, fraud risk and information technology as they relate to the annual financial statement and performance information.

Evaluation of the Financial Statements

The Committee has amongst others:

- reviewed and discussed the audited annual financial statements and performance report to be included in the annual report with the AGSA, Chief Executive Officer and the Board as the institute's Accounting Authority.
- reviewed the AGSA's audit report and management report on the findings of the audit and management's response and has

reviewed all changes in accounting policies and practices.
- has noted and reviewed the AGSA's assessment of the usefulness and reliability of performance information examined.

The Committee concurs with and supports the AGSA's opinion on the Annual Financial Statements and other legal and regulatory matters and is of the view that the audited Annual Financial Statements fairly present the financial affairs of the MQA.

The Auditor-General South Africa

The Committee concurs and accepts the conclusions and the unqualified audit opinion on the Annual Financial Statements for the year ended 31 March 2023.



Mr Phuti Phukubje
Chairperson of the Audit and Risk Committee
Date: 31 July 2023

SECTION 9

REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE MINING QUALIFICATION AUTHORITY

Report on the audit of the annual financial statements

Opinion

1. I have audited the financial statements of the Mining Qualifications Authority set out on pages 99 to 145, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and 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 Mining Qualifications Authority as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

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

4. I am independent of the 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.

Other matters

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

Retention of 2021-22 surplus

7. There are current deliberations with the National Treasury and the Department of Higher Education and Training regarding the appropriate approval processes for the retained surplus of R805 955 000, for the financial year 2021-22, disclosed in note 21. The ultimate outcome of the matter could not be determined and no provision for any liability was disclosed in the financial statements.

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

8. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 24 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Mining Qualifications Authority. The disclosure

of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA and the SDA; 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.

10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

11. 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.

12. 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

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Administration	33	• Ensure efficient and effective governance and administration. • Ensure the delivery of quality and impactful learning programmes in the mining and minerals sector. • Facilitate training for stakeholders, communities and entrepreneurs.
Learning programmes	35-40	• Facilitate opening of workplace based learning opportunities and access to occupationally directed programmes. • Facilitate training for stakeholders, communities and entrepreneurs. • Support industry collaboration with public college system.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or under-achievement of targets.

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

18. I did not identify any material findings on the reported performance information of administration and learning programmes.

Other matters

19. I draw attention to the matter below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements.

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

Key service delivery indicators not achieved	Planned target	Reported achievement
Programme 3: Learning programmes Targets achieved: 93.75% Budget spent: 59.95%.		
3.2b. Number of employees completing a learnership per annum	703	246
3.16. Number of beneficiaries trained in small-scale mining per annum	250	237

22. Reasons for the over- and underachievement of targets are included in the annual performance report on pages 31 to 40.

Report on compliance with legislation

23. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement

methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

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

Other information in the annual report

27. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

32. I did not identify any significant deficiencies in internal control.

Auditor - General

Pretoria
31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements 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
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity 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

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and 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.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000 (CIBD Act)	Section 18(1)
Construction Industry Development Board Act: Regulations (CIBD regulations)	Reg. 17, Reg. 25(7A)
National Treasury instruction 01 of 2021/2022	Par. 4.1
National Treasury instruction 04 of 2015/2016	SBD 6.2 issued in 2015/16
National Treasury instruction 4A of 2016/17	Par. 3.4, 6
National Treasury instruction 05 of 2020/21	Par. 1, 2, 4.8, 4.9, 5.3,
National Treasury instruction 07 of 2017/18	Par. 4.3
National Treasury instruction 11 of 2020/21	Par. 3.1, 3.4 (b), 3.9
Practice note 05 of 2009/10	Par.3.3
Practice note 07 of 2009/10	Par 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	definition "acceptable tender", section 2(1)(a), (b), 2(1)(f)
Preferential procurement regulations 2011	Reg. 9(1), 9(5)
Preferential procurement regulations 2017	Section 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(8), 7(8), 8(2), 8(5), 9(1), 10(1), 11(1)
Preferential procurement regulations 2022	Reg. 4(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)
Public Finance Management Act 1 of 1999 (PFMA)	Section 35(4), 38(1)(b), 44, 45(b), 51(1)(b)(ii), 51(1)(e)(iii), 52(b), 54(2)(c), (d), 57(b), 55(1)(a), (b), 55(1)(c)(i)
PFMA instruction 03 of 2021/22	Par.4.1, 4.2(b), 4.3, 4.4, 4.4(c), 4.4(d), 7.2
Public Service regulation	Reg. 18(1), (2)
Sector Education and Training Authorities Grant Regulations	GNR.990 2(1), 3(3) & (4), 4(3) and (8), 6(9)(iii)
Supply Chain Management (SCM) instruction 03 of 2016	Note 3, 6
Supply Chain Management (SCM) instruction 02 of 2021/22	Par.3.2.1, 3.2.4, 3.3.1, 4.1.
State Information Technology Agency Amendment Act, 2002 (SITA Act)	Section 7(3)

SECTION 10

ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

The reports and statements set out below comprise the Annual Financial Statements presented to MQA Board.

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Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

Accounting Authority Statement

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report.

The Accounting Authority is responsible for the preparation and presentation of Annual Financial Statements that are relevant and reliable, the integrity of the information contained therein, the maintenance of effective control measures, compliance with relevant laws and regulations and the related financial information contained elsewhere in the Annual Report.

Further responsibilities of the Accounting Authority include amongst others:

- Management and safeguarding of the assets, as well as the management of revenues, expenditures and liabilities.

- The submission of all reports, returns, notices and other information to Parliament, Department of Higher Education and Training and National Treasury, as required by the Public Finance Management Act.

It is the responsibility of the members to ensure that the Annual Financial Statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows.

To meet these responsibilities, the Accounting Authority has set standards, which require that management implement effective and efficient systems of financial risk management and internal controls, as well as transparent financial reporting and accounting systems.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements and were given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements set out on pages102 to 145, which have been prepared on the going concern basis were approved by the accounting authority in its meeting of 31 July 2023 and were signed on its behalf by:



Mr David Msiza
Board Chairperson



Dr Thabo Mashongoane
Chief Executive Officer

Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023 R '000	2022 R '000 Re-stated
Revenue		**1 593 902**	**1 384 615**
Revenue from non-exchange transactions		**1 525 340**	**1 338 972**
Skills development levy income	3	1 440 763	1317 681
Skills development levy interest and penalties	3	62 187	20 590
Grants recoveries	6	22 390	702
Revenue from exchange transactions		**68 563**	**45 643**
Investment income	4	68 295	45 226
Other income	5	268	417
Expenditure		**(1 612 562)**	**(1 344 731)**
Administration expenditure	8	(151 841)	(118 865)
Employer grants and projects expenditure	7	(1 452 066)	(1 220 369)
Transfers to other public entities (QCTO)	9	(8 655)	(5 497)
Loss on disposal of assets and liabilities		(105)	(19)
Surplus/(Deficit)		**(18 765)**	**39 865**

Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

Statement of Financial Position

	Note(s)	2023 R '000	2022 R '000 Re-stated
Assets		1 187 330	1 138 618
Non-current assets		**66 798**	**49 894**
Property, plant and equipment	10	66 032	48 977
Intangible assets	11	766	917
Current assets		**1 120 533**	**1 088 724**
Receivables from non-exchange transactions	14	27 202	1 673
Trade and other receivables from exchange transactions	12	3 906	5 887
Inventories	13	183	490
Cash and cash equivalents	15	1 089 242	1 080 674
Liabilities		**331 164**	**282 278**
Current liabilities		**331 164**	**282 278**
Grants and transfers payable from non-exchange transactions	17	300 064	256 095
Trade and other payables from exchange transactions	18	5 512	4 634
Provisions	19	25 587	21 549
Net assets		**856 167**	**856 340**
Reserves		**856 167**	**856 340**
Revaluation reserves		23 516	4 925
Administration reserves		43 281	44 970
Mandatory grant reserves		417	1 162
Discretionary reserves		788 952	805 284

Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

Statement of Changes in Net Assets

	Note(s)	Revaluation reserves	Administration reserves	Mandatory grant reserves	Discretionary reserves	Total reserves	Accumulated surplus	Total net assets
		R '000	R '000	R '000	R '000	R '000	R '000	R '000
Balance at 01 April 2021 – as previously stated		**4 925**	**48 662**	**2 111**	**761 180**	**816 878**	**-**	**816 878**
Prior period errors – discretionary grants expenditure		-	-	-		(403)	-	(403)
Balance at 01 April 2021 – Re-stated		**4 925**	**48 662**	**2 111**	**761 180**	**816 475**	**-**	**816 475**
Surplus/(Deficit) for 2022 as previously stated		-	-	-	-	-	41 453	41 453
Allocation of un-appropriated deficit for 2022 as previously stated		-	50 931	46 399	(55 877)	41 453	(41 453)	-
Prior period errors – discretionary grants and Admin expenditure erroneously ommitted		-		-	(1 588)	(1 588)	-	(1 588)
Transfer to discretionary reserves		-	(54 624)	(47 347)	101 568	-	-	0
Re-stated* Balance at 01 April 2022		**4 925**	**44 969**	**1 163**	**805 283**	**856 340**	**-**	**856 340**
Surplus/(Deficit) for the year		-	-	-	-	-	(18 765)	(18 765)
Allocation of un-appropriated surplus	2	-	30 943	46 877	(96 585)	(18 765)	18 765	-
Revaluation surplus realised		18 591				18 591		18 591
Transfer to Discretionary reserves		-	(32 631)	(47 623)	80 254	-	-	-
Balance at 31 March 2023		**23 516**	**43 281**	**417**	**788 952**	**856 166**	**0**	**856 166**

Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

Cash Flow Statement

	Note(s)	2023 R '000	2022 R '000
Receipts		**1 574 237**	1 384 131
Levies, interest and penalties		1 502 730	1 338 011
Interest income		67 859	45 379
Other cash receipts from stakeholders		3 647	741
Payments		**(1 561 692)**	**(1 346 530)**
Grant and projects		(1 390 385)	(1 207 003)
Cash paid to employees and/or on behalf of employees		(112 693)	(101 119)
Payments to suppliers and others		(58 614)	(38 408)
Net cash flows from operating activities	**20**	**12 545**	**37 601**
Cash flows from investing activities		**(3 979)**	**(2 071)**
Purchase of property, plant and equipment	10	(3 817)	(1 072)
Proceed from sale of property, plant and equipment		63	33
Purchase of other intangible assets	11	(225)	(1 032)
Net cash flows from investing activities		**(3 979)**	**(2 071)**
Net increase/(decrease) in cash and cash equivalents		**8 567**	**35 530**
Cash and cash equivalents at the beginning of the year		1 080 674	1 045 144
Cash and cash equivalents at the end of the year	**15**	**1 089 241**	**1 080 674**

Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget and actual amounts on accrual and comparative basis

	Note (s)	Approved budget	Approved Surpluses retained	Approved and Final Budget	Actual	Variance
			R '000	R '000	R '000	R '000
Statement of Financial Performance						
Revenue from exchange transactions		**59 741**	**-**	**59 741**	**68 563**	**8 822**
Other income	30.1	-	-	-	268	268
Interest received – investment	30.1	59 741	-	59 741	68 295	8 554
Revenue from non-exchange transactions		**1 532 360**	**-**	**1 532 360**	**1 525 340**	**-7 020**
Grants recoveries	30.1	-	-	-	22 390	22 390
Skills Development Levy: Income	30.7	1 532 360	-	1 532 360	1 440 763	-91 597
Levy: Interest and penalties	30.1	-	-	-	62 187	62 187
Total revenue		**1 592 101**	**-**	**1 592 101**	**1 593 902**	**1 802**
Total expenditure		**1 592 101**	**-**	**1 592 101**	**1 612 566**	**20 461**
Personnel costs	30.2	100 856	-	100 856	94 959	-5 897
Transfer to QCTO		8 655	-	8 655	8 655	-0
Depreciation and amortisation	30.3	7 420	-	7 420	5 563	-1 857
Repairs and maintenance	30.4	1 759	-	1 759	2 417	658
Employer grant and project expenditure	30.6	1 428 564	-	1 428 564	1 452 066	23 502
General expenses	30.5	44 847	-	44 847	48 902	4 055
Operating surplus/(deficit)		0	-	-	-18 659	-18 659
Loss on disposal of assets and liabilities		0	-	-	105	105
Surplus/(Deficit) for the year		**0**	**-**	**-**	**-18 765**	**-18 765**
Approved surplus funds		**0**	**-**	**-**	**18 765**	**18 765**
Statement of Financial Position						
Capital expenditure	30.3	11 231	0	11 231	4 042	-7 189

The Minister of Higher Education and Training approved a budget of R 1.592 billion for the period 1 April 2022 to 31 March 2023.

Mining Qualifications Authority
Annual Financial Statements for the period ended 31 March 2023

Accounting Policies

1. Basis of preparation

The Annual Financial Statements have been prepared on the historical cost basis, except where they were adjusted for present/fair values as required by the respective accounting standards.

The Annual Financial Statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The principal accounting policies adopted in the preparation of the Annual Financial Statements are set out below and are in all material respects consistent with those of the previous year, except as otherwise indicated.

1.1 Currency

The Annual Financial Statements presented are in South African Rands and all figures have been rounded off to the nearest thousands (R'000) where indicated.

1.2 Revenue from non-exchange transactions Skills

Development Levy (SDL) income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999) registered member companies of the MQA pay 1% of the total payroll cost as Skills Development Levy (SDL). The levies paid to the South African Revenue Services (SARS) that collects the levies on behalf of the Department of Higher Education and Training (DHET).

Eighty percent (80%) of SDL contributions by companies in the mining and minerals sector are transferred to the MQA and 20% to the National Skills Fund (NSF) by the Department of Higher Education and Training.

SDL income received by the MQA is set aside in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended and the Skills Development Levy Grant Regulations (Grant Regulations), issued in terms of this Act, for the purposes of:

	2023
Administration cost (including 0.5% transfer to QCTO)	10.50%
Mandatory grants	20.00%
Discretionary grants and projects	49.50%
	80.00%

In addition to these amounts, employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS, are charged interest and penalties at rates prescribed by SARS from time to time. The said regulation regulating the 20% mandatory grant was set aside, however the court did not indicate what mandatory grant percentage should be paid. The MQA continued measuring mandatory grants at 20% since it's the best available information.

The interest and penalties charged are remitted to the DHET, which in turn transfers them to the MQA. The interest and penalties are disclosed separately as Skills Development Levy penalties and interest.

With effect from 01 August 2005 companies with an annual payroll cost by DHET of less than R500 000, are exempted in accordance with section 4(b) of the Skills Development Levies Act, 1999, as amended.

Inter-SETA transfers

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for Skills Development Levy or changes to their business that result in a need to change SETAs. Such adjustments are disclosed separately as Inter-SETA transfers. The amount of Inter-SETA adjustments is calculated according to the most recent Standard Operating Procedure as issued by the DHET from November 2009.

When transfers from other SETAs to the MQA occur, the levies transferred are recognised as

revenue and allocated between the respective categories as reflected above to maintain their original identity.

For transfers from the MQA to other SETAs, the levies in the respective categories are reduced by the amounts transferred or transferable to other SETAs.

Recognition of revenue from non-exchange transactions

Skills Development Levy income is recognised when it is probable that future economic benefits will flow to the MQA and these benefits can be measured reliably. This occurs when the DHET either makes an allocation or payment to the MQA, whichever occurs first, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999).

Levy contributions from employers with an annual payroll of less than R500,000, are not recognised as revenue but as a provision, as they represent an obligation as they are due to be refunded to such employers because the employers are exempted from paying skills development levies.

Previously, this provision was accumulated indefinitely, but with effect from the 25 August 2013, the DHET advised SETAs that this provision may be utilised for discretionary grants purposes after the expiry of 5 years in terms of section 109(4) of the Tax Administration Act, as the employers may not claim the moneys back after 5 years.

Measurement of revenue from non-exchange transactions

SDL income is measured at the fair value of the consideration received or receivable and that is the amount of the increase in net assets recognised by the MQA.

Chapter 1 (6)(3) of the skills development levies act states that “If the amount of any levy, interest or penalty paid by an employer to the Commissioner was not Leviable or payable, or was in excess of the amount leviable or payable in terms of this Act, that amount must be refunded to that employer by the Commissioner, which refund is a drawback against the National Revenue Fund”. Refunds are recovered directly from monthly returns and are reflected as a net reversal per scheme year on the revenue details provided by DHET. The SETA recognises revenue monthly on net basis per scheme which includes monthly net reversals per scheme year.

Government grants and donor funding income

Conditional government grants and other conditional donor funds are recognised as a liability when they become receivable and are recognised as income on a systematic basis over the period necessary to match the grants with the related costs, which they are intended to compensate.

Unconditional grants received are recognised as revenue when the amounts are received or become receivable.

Funds for special projects transferred from government grants and other donors are recognised as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue is recognised.

1.3 Revenue from exchange transactions

Investment income

Interest income is accrued on a time proportion basis, taking into account the capital invested and the effective interest rate over the period to maturity.

Other income

Other income from rendering of services is recognised as revenue when the outcome of a transaction can be estimated reliably, and this occurs when:

- The amount of revenue can be measured reliably,
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- The stage of completion of the transaction at the reporting date can be measured reliably, and
- The costs incurred for the transaction and

the costs to complete the transaction can be measured reliably. Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

1.4 Administration, Grants and project expenditure

In terms of the Grant Regulations, registered employers may recover 20% of their levy payments (excluding interest and penalties) in the form of mandatory grants, provided they timeously submit such plans and reports as prescribed in terms of Grants Regulations.

In addition, registered employers that participate in skills development initiatives prescribed in the National Skills Development Plan and the MQA's Sector Skills Plan can apply for and be granted discretionary grants to supplement their training cost.

Mandatory grants

Mandatory grants expenditure and the related payables are recognised when an employer has submitted an application for the grant in the prescribed format, within the legislated cut-off period and the application has been approved, as the payment then becomes probable.

The grant is equivalent to 20% of the total levies paid by the employer during the corresponding financial period for the skills planning and annual training report grants.

The related liability is measured at the present value of the expected future cash out-flow as determined in accordance with the Act and the grant regulations and is based on the amount of levies actually received.

Retrospective amendments by SARS

The MQA calculates and pays mandatory grants to employers based on the levy information from the DHET as obtained from SARS.

Where SARS retrospectively amends the information on levies collected, this may result in grants that have been paid to certain employers that are in excess of the amount the MQA is permitted to have granted to employers as mandatory grants.

A receivable relating to the overpayment to the employers in earlier periods is raised at the amount of such grant overpayments, net of bad debts and provisions for irrecoverable amounts.

Discretionary grants and project expenditure

The MQA may, in terms of the grant regulation 7, out of funds set out in grant regulation 7(3), determine and allocate discretionary grants to employers, education and training providers and the mining and mineral sector.

The allocation of discretionary grants and projects is dependent on employers submitting the prescribed application, in the prescribed format and within the prescribed cut-off period as well as the availability of funds.

The discretionary grants and project expenditure, and the related payables, are recognised when the application has been approved, the conditions for the grant payments, as set out in the MQA funding policy, have been met and it is probable that the SETA will approve the payment.

The liability is measured at the present value of the expected future cash outflow as determined in accordance with the Act and the grant regulations, and is based on the monetary value of grants allocations that are due and payable at year-end.

Project expenditure comprises:

- costs that relate directly to a specific contract;
- costs that are attributable to contract activity in general and can be allocated to a project; and
- such other costs as are specifically chargeable to the MQA under the terms of a contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Discretionary grants and project costs are recognised as expenditure in the period in which they are incurred. A receivable is recognised,

net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenditure not yet incurred.

Discretionary grants and project administration expenditure

In terms of the MQA Funding policy "The MQA may utilise up to a maximum of 7.5% of discretionary funds for project related administration costs as budgeted for and/or motivated and recommended by the CFO and approved by the CEO (only for relevant and applicable programmes)." The SETA grants regulations also permit the utilisation of the maximum of 7.5% of the discretionary funds for Project administration purposes.

Administration expenditure

The MQA recognises administration expenditure when there is a decrease in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets. MQA presents each administration line item by nature separately in the notes to the Annual Financial Statements. The amounts are presented on an accrual basis in the accounting period when they are incurred.

1.5 Prepayments

The MQA may, in certain instances, when required by the terms of the contract of a service provider or the beneficiary, make advance payments. The MQA initially records this advance payments as a prepayments (assets), and then charges it to the expense account (Income statement) over the usage period in line with the applicable GRAP requirements pertaining to expenses.

1.6 Irregular, fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation.

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

All irregular, fruitless and wasteful expenditure is charged against the respective expenditure class in the reporting period in which it is incurred and disclosed in the notes to the Annual 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 are therefore provided in the notes.

Irregular, fruitless and wasteful expenditure is de-recognised in line with the applicable framework when it is either:

- condoned by the relevant authority if no official was found to be liable in law;
- recovered from an official liable in law;
- written off if it's irrecoverable from an official liable in law; or
- written off if it is not condoned and not recoverable.

1.7 Property, plant and equipment Recognition

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset only if it is probable that future economic benefits or service potential associated with the item will flow to the MQA, and the cost or fair value of the item can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Where an asset is acquired at no cost, for a nominal cost, or it is measured at a value representing its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition, assets are either carried at cost less accumulated depreciation and any accumulated impairment losses and, in respect of the building, at a re-valued amount, being its fair value at the date of the revaluation less subsequent accumulated

depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is the systematic write-off of the depreciable amount recognised in respect of an item of property, plant and equipment over its useful life.

The depreciation charge for each period is recognised in the surplus or deficit unless it is included in the carrying amount of another asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The residual values and the useful lives of all assets are reviewed at each reporting date and, if expectations differ from previous estimates, any changes are accounted for as changes in accounting estimates.

Impairment

Where the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss is recognised in the surplus or deficit for the period, unless the asset is carried at fair value or re-valued amount. The impairment loss of a re-valued asset decreases or increases the revaluation surplus or deficit.

All items of property, plant and equipment are assessed for any indications of impairment at each reporting date. If the impairment indications exist, the recoverable service amounts are estimated.

An impairment loss recognised in prior periods is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given are included in the surplus or deficit when the compensation becomes receivable.

Cost basis

Depreciation is calculated on the straight-line method to write off the cost of each asset to an estimated residual value over its estimated useful life over the following periods:

Item	Average useful life
Office furniture	**10 - 15 Years**
Motor vehicles	4 - 5 Years
Office equipment	3 - 10 Years
Computer equipment	2 - 5 Years
Fixtures and Fittings	**10 - 15 Years**
Office Building	30 - 50 Years
Cell phones	2 - 3 Years

Revaluation basis

Where the fair value of assets can be measured reliably they may be carried at a re-valued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The fair value of items of land and buildings is determined from market-based evidence of an appraisal undertaken by a member of the valuation profession who holds a recognised and relevant professional qualification. Land and buildings will be revalued at least every 5 years. The fair value of other items of plant and equipment is ascertained by reference to quoted prices in an active and liquid market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

If an item of property, plant and equipment is re-valued, the entire class of property, plant and equipment to which that item belongs, is re-valued. If an asset is re-valued upwards, the increase is credited directly to revaluation surplus unless the upward revaluation reverses a previous downward revaluation, in which case it is recognised in the surplus or deficit for the period. If assets are re-valued downwards, the decrease is recognised in the surplus or deficit

for the period unless the downward revaluation reverses a previous upward revaluation credit, in which case it is applied against a revaluation credit in respect of that asset.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits or service potential is expected from its use or disposal. Gains or losses arising from de-recognition of items of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amounts of such items and are included in the surplus or deficit for the period when the item is derecognised.

Key accounting judgements

In the application of the MQA's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. The financial effects of the reviews to the accounting estimates are recognised in the period in which the estimates are reviewed if the revision affects only that period, or in the period of the review and future periods if the review affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The MQA is currently established as a SETA until 31 March 2030. In the light of the extension of MQA's establishment until 31 March 2030, management is required to consider how it affects the period over which assets are expected to be available for use by the MQA.

As a result of the fact that the MQA was originally established in terms of the Mine Health and Safety Act, Act no 29 of 1996 (as amended) and was later incorporated into the SETAs, management determined, consistently with prior years, that the useful lives of assets should not be limited by the MQA's establishment as a SETA.

Management's determination of useful lives also affects the determination of residual values of assets. The MQA reviews the estimated useful lives and residual values of property, plant and equipment used for the purpose of depreciation calculations in light of the definition of residual value. Estimated useful lives and residual values will continue to be reviewed annually in future.

1.8 Intangible assets Recognition

Intangible assets are identifiable non-monetary assets without physical substance.

An intangible asset is recognised if it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the MQA and the cost or fair value of the asset can be measured reliably.

The useful life or service potential of an intangible asset is assessed as to whether it is finite or indefinite. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Initial measurement

An intangible asset is measured at its cost and, where an intangible asset is acquired at no cost, or for a nominal cost, the cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition, an intangible asset is carried either at cost less accumulated amortisation and any accumulated impairment losses or at a re-valued amount, being its fair value at the date of the revaluation less subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

The amortisable/depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use and is in a condition necessary for it to be capable of operating in the manner intended by management. Amortisation ceases at the earlier of the date that the asset is classified as held for sale, and the date that the asset is derecognised.

Impairment

Different intangible assets may be tested for impairment at different times. However, if an intangible asset was initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

An impairment loss is recognised in the surplus or deficit, unless the asset is carried at a re-valued amount and an impairment loss of a re-valued asset is treated as a revaluation decrease. An impairment loss recognised in prior periods is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the surplus or deficit unless the asset is carried at re-valued amount, and then a reversal of an impairment loss of a re-valued asset is treated as a revaluation increase.

Cost basis

The amortisation is charged to the statement of financial performance in a manner that reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed or on a straight-line method as follows:

Item	Average useful life
Computer software	2-3 years

Revaluation basis

The revaluation of intangible assets to fair value is determined by reference to an active market. If an intangible asset cannot be re-valued because there is no active market for this asset, the asset is carried at its cost less any accumulated amortisation and impairment losses.

If the fair value of a re-valued intangible asset can no longer be determined by reference to an active market, the carrying amount of the asset is its re-valued amount at the date of the last revaluation by reference to the active market less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

Revaluations are made with such regularity that, at the reporting date, the carrying amount of the intangible asset does not differ materially from its fair value.

If an intangible asset is re-valued upwards, the increase is credited directly to a revaluation surplus unless the increase reverses a revaluation decrease of the same asset previously recognised in the surplus or deficit, in which case it is recognised in the surplus or deficit.

If an intangible asset is re-valued downwards, the decrease is recognised in the surplus or deficit unless the increase relates to any credit balance in the revaluation surplus in respect of that asset, in which case the decrease is debited directly to a revaluation surplus in respect of that asset.

De-recognition

An intangible asset is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. Gains or losses arising from de-recognition

of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset. It is recognised in the surplus or deficit.

1.9 Inventories Recognition

Inventories are assets in the form of materials or supplies to be consumed or distributed in the rendering of services. Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and they can be measured reliably.

Initial measurement

Inventories that qualify for recognition as assets are initially measured at cost, and when acquired at no cost, or for nominal consideration, their cost is their fair value as at the date of acquisition.

Subsequent measurement

Inventories held for distribution in the rendering of services at no charge or for a nominal charge, are measured at the lower of cost and current replacement cost.

Recognition as an expense

Consumables are recognised as an asset on the date of acquisition and measured at the cost of acquisition. It is subsequently recognised in surplus or deficit as it is consumed. Subsequent to initial recognition, inventory is measured at cost or current replacement cost, whichever is least.

The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.10 Leases

Finance leases

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of an asset to the MQA. The title may or may not eventually be transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is impracticable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Finance charges arising out of finance lease agreements are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease also gives rise to a depreciation expense for depreciable assets in each accounting period. The depreciation policy for depreciable-leased assets is consistent with that for depreciable assets that are owned. Where there is no reasonable certainty that the MQA will obtain ownership by the end of the lease term, assets held under finance leases are depreciated over the shorter of the lease term and their useful lives.

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is

allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset, title may not eventually be transferred.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed to for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

Lease payments under operating lease are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the MQA's benefit.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the reporting period in which termination takes place.

1.11 Employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which employees render the related service. The MQA awards the following short-term employee benefits:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave)
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period; and
- Non-monetary benefits (communication tools).

The employee benefits are recognised as an expense and liability during the reporting period in which the employee has rendered the services.

If the amount already paid exceeds the undiscounted amount of the benefits, the MQA recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund and as an expense.

Termination benefits

Termination benefits are employee benefits payable as a result of either the MQA's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits, and mainly comprise proceeds from a defined contribution plan. The assets of the defined contribution plan are held by a third party trustee-administered fund and are funded by payments from the MQA and its employees.

Payments to the defined contribution benefit plan are charged to the statement of financial performance in the year to which they relate.

Obligations arising out of the MQA and employee contributions to the fund are measured on an undiscounted basis unless they fall due wholly after twelve months after the end of the period in which the employees rendered the related services.

1.12 Provisions

Provision for bonuses is for persons in the employ of the MQA, in line with the rewards and benefits policy. The performance bonus payable is up to a maximum of 20% of the annual cost to company depending on performance ratings achieved during the financial year and is depended upon financial viability at the time of payment.

Provision for leave is made for persons in the employ of the MQA, in line with the Leave policy. The leave provision is raised for all outstanding leave balances of the MQA employees which they are unconditionally entitled to at year end and is measured at the daily rate per outstanding leave days for all employees with leave balances.

Recognition

A provision is a liability of uncertain timing or amount and is recognised when and only when:

- there is a present obligation (whether legal or constructive) as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- a reliable estimate of the amount of the obligation can be made.

Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

Usage and review

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is reversed.

1.13 Commitments

Commitments are future liabilities that arises due to contractual obligations that exist at the end of the financial year that will oblige the MQA to make a payment or payments in the ensuing year.

Contractual obligation means there is an agreement (written) with specific terms between a SETA and a third party whereby the third party undertakes to perform something in relation to a discretionary project for which a SETA will be obliged to make payment against the discretionary grant.

Amounts disclosed in the notes to the Annual Financial Statements in respect of commitments are measured on the basis of the contractual amount.

Amounts disclosed in the notes to the Annual Financial Statements in respect of commitments are derecognised when either the grant programmes are terminated, contract expires or when the contractual obligation is fully paid.

1.14 Contingencies

A contingent liability is:

- a possible obligation that arises from past events 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 the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Amounts disclosed in respect of contingent liabilities are measured on the basis of the best estimate of the outcome of the possible obligation that may arise, using experience of similar transactions or reports from independent experts.

A contingent asset is:

- a possible asset that arises 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 the entity.

Amounts disclosed in respect of contingent assets are measured on the basis of the best estimate of the outcome of the possible asset that may arise, using experience of similar transactions or reports from independent experts.

1.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Financial Assets

Financial assets are cash or contractual rights to receive cash or another financial asset from another entity or exchange of financial assets or financial liabilities with another entity under conditions that are potentially favourable.

Financial assets are recognised in the statement of financial position when, and only when,

the entity becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Investments

The following categories of investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity:

- Held-to-maturity investments; and
- An investment that does not have a quoted market price in an active market and whose fair value cannot be measured reliably.

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value, net of transaction costs except for those financial assets classified as a fair value through profit or loss, which are initially measured at fair value.

The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables.

Loans and receivables are measured at amortised cost using the effective interest rate method less any impairment.

Interest income is recognised by applying the effective interest, except for short-term receivables where the recognition of interest would be immaterial.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

The effective interest is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

When a trade receivable is uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance for doubtful debts. Changes in the carrying amounts of doubtful debts are recognised in the surplus or deficit for the reporting period.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit and loss (FVTPL) or other financial liabilities. Financial liabilities are classified as FVTPL where the financial liability is either held for trading or is designated as FVTPL. Account payables do not bear interest and are stated at their nominal value.

Other financial liabilities

Other financial liabilities are initially measured at the fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

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1.16 Reserves

Reserves are sub-classified in the statement of changes in net assets between the following:

- Administration reserve
- Employer grant reserve
- Discretionary reserve

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Grant Regulations and referred to in accounting policy note 1.3.

Interest and penalties received from SARS, as well as interest received on investments, are utilised for discretionary grants and projects.

The items of revenue and expenditure are recognised on the accrual basis of accounting, consequently, the reserves disclosed in the statement of changes in net assets and movements disclosed in note 2 do not represent cash reserves or fund monies as implied in the Grants Regulations.

- Administration reserve represents the net book value of property, plant and equipment and related revaluation surpluses.
- Employer grant reserve represents possible mandatory grants claims from newly registered employers that are eligible to submit their mandatory grants claims at year end in terms of the grants regulations
- Discretionary reserve represents the excess of discretionary grants revenue over discretionary and projects expenditure and includes transfers from administration and mandatory grant reserve where appropriate.

1.17 Related Party Transactions

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the MQA:

(a) A person or a close member of that person's family is related to the MQA if that person:
  (i) has control or joint control over the reporting MQA;
  (ii) has significant influence over the MQA; or
  (iii) is a member of the management of the MQA

An entity is related to the MQA if any of the following conditions apply:

  (i) the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  (vi) the entity is controlled or jointly controlled by a person identified in (a)(i) above;
  (vii) a person identified in (a)(i) has significant influence over that entity.

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

The MQA is expected from disclosure requirements in relation to related party transactions if transactions occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the MQA to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where a MQA is exempt for disclosure requirements as per the above narrative information about the nature of the transactions and the related outstanding balances will be disclosed to enable users of the Annual Financial Statements to understand the effect of related party transactions on its Annual Financial Statements.

1.18 Comparatives

Where necessary, comparative figures have been restated, adjusted or reclassified to achieve fair presentation and to conform to changes in presentation that arise due to changes in accounting policies, errors, reporting standards and legislation.

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2. Allocation of Net Surplus for the Year to Reserves

	ALLOCATION – 2023			
	Total per statement of financial performance	Administration funds	Mandatory grant funds	Discretionary grants funds
	R '000	R '000	R '000	R '000
Total revenue	**1 593 902**	**191 544**	**344 504**	**1 057 854**
Skills development levy: income	**1 502 949**	**191 276**	**344 504**	**967 169**
Admin levy income (10.5%)	189 067	189 067	-	-
Public sector levies	2 209	2 209	-	-
Grant levy income (20%)	344 504	-	344 504	-
Grant levy income (69.5%)	904 982	-	-	904 982
Levy: penalties and interest	62 187	-	-	62 187
Donor, interest and other income	**90 953**	**268**	**-**	**90 685**
Grants recoveries	22 390	-	-	22 390
Investment income	68 295	-	-	68 295
Other income	268	268	-	-
Total expenditure	**1 612 562**	**160 496**	**297 627**	**1 154 439**
Administration expenditure	151 841	151 841	-	-
Transfers to other public entities (QCTO)	8 655	8 655	-	-
Mandatory grants expenditure	297 627	-	297 627	-
Discretionary grants and project expenditure	1 154 439	-	-	1 154 439
Loss on disposal of assets and liabilities	105	105		
Surplus/(deficit) allocated	**(18 765)**	**30 943**	**46 877**	**(96 585)**

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	ALLOCATION – 2022			
	Total per statement of financial performance	Administration funds	Mandatory grant funds	Discretionary grants funds
	R '000	R '000	R '000	R '000
Total revenue	**1 384 615**	**175 237**	**328 861**	**880 518**
Skills development levy: income	**1 338 271**	**174 820**	**328 861**	**834 591**
Admin levy income (10.5%)	172 669	172 669	-	-
Grant levy income (20%)	328 861	-	328 861	-
Grant levy income (69.5%)	814 001	-	-	814 001
Levy: penalties and interest	20 590	-	-	20 590
Public sector levies (DMRE)	2 151	2 151	-	-
Donor, interest and other income	**46 344**	**417**	**-**	**45 927**
Grants recoveries	702	-	-	702
Investment income	45 226	-	-	45 226
Other income	417	417	-	-
Total expenditure	**1 344 731**	**124 362**	**283 361**	**937 009**
Administration expenditure	118 865	118 865	-	-
Transfers to other public entities (QCTO)	5 497	5 497	-	-
Mandatory grants expenditure	283 361	-	283 361	-
Discretionary grants and project expenditure	937 009	-	-	937 009
Loss on disposal of assets and liabilities	19	19		
Surplus/(deficit) allocated	**39 865**	**50 857**	**45 500**	**(56 491)**

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3. Revenue from non-exchange transactions

	2023 R '000	2022 R '000 Re-stated
Skills development levy income	**1 440 763**	**1 317 681**
Levy income: Administration	191 276	174 820
Levies received	191 242	174 796
Levies received from SARS	188 999	172 614
Public sector levies	2 209	2 151
Inter-SETA transfers in	34	31
Inter-SETA transfers out	-	-
Movement in Inter-SETA transfers	34	24
Levy income: Employer Grants	344 504	328 860
Levies received	344 470	328 826
Levies received from SARS	344 447	328 778
Inter-SETA transfers in	23	59
Inter-SETA transfers out	-	(11)
Movement in Inter-SETA transfers	34	35
Levy income: Discretionary Grants	904 982	814 001
Levies received	904 848	813 863
Levies received from SARS	904 686	813 746
Inter-SETA transfers in	162	152
Inter-SETA transfers out	-	(34)
Movement in Inter-SETA transfers	135	137
Interest and penalties: skills development levy income	62 187	20 590
Levy interest	49 685	9 099
Levy penalties	12 502	11 491

Chapter 1 (6)(3) of the skills development levies act states that "If the amount of any levy, interest or penalty paid by an employer to the Commissioner was not Leviable or payable, or was in excess of the amount leviable or payable in terms of this Act, that amount must be refunded to that employer by the Commissioner.The refunds i.e retrospective reversals of R98 574 125.02 (2022: R41 048 260.81) were paid by SARS to the employer companies.

4. Investment Income

Interest received	68 295	45 226

5. Other income

	268	418
Insurance recoveries	147	-
Learning materials and other recoveries	106	321
Staff recoveries	1	9
Receipts from other entities	14	88

6. Sundry recoveries

	22 390	702
Bursary recoveries	421	295
SDL recoveries	230	98
Projects recoveries	21 584	309
Interest income on Projects recoveries*	155	-

*Interest on the Arbitrator's award @10% per annum

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7. Employer grants and project expenditure

	2023 R '000	2022 R '000 Re-stated
Employer grants and projects expenditure	**1 452 066**	**1 220 369**
Mandatory grants expenditure and bad debts	**297 627**	**283 361**
Mandatory grants expenditure	297 639	283 158
Mandatory grants bad debts	(12)	203
Discretionary grants and Project expenditure	**1 154 439**	**937 009**
A001 – HEI Lecturer Support	12 751	6 806
A002 – Bursaries	243 025	133 295
A003 – Work Experience	79 568	56 030
A004 – Standard Setting	419	158
A005 – Learning Materials Development	2 411	1 964
A006 – Internships (GDP)	245 070	188 930
A007 – Non-Artisan Learnerships	92 005	74 819
A008 – Skills Development Facilitator Support	422	108
A009 – AET	16 827	16 096
A010 – OHS Representative Development	9 930	12 720
A013 – MQA Artisan Development	165 359	190 493
A014 – RPL/Artisan Aides – Employed	6 690	4 905
A015 – TVET College Support	115 440	74 267
A017 – FLC Grant Incentive	1 445	1 090
A019 – Mine Community Development	71 815	87 194
A020 – Workplace Coach Development	28 800	13 680
A021 – Youth Development	37 803	53 113
A022 – Management Development	7 843	7 582
A044 – Partnership Research	1 868	-
A023 – Artisan RPL	5 198	10 478
A041 – HDSA Management Development Candidacy	9 350	2 833
A042 – HDSA Accredited Training Provider Support	400	450
Included in Discretionary grants and Project expenditure is:	**19 380**	**22 881**
Administration costs*	19 380	22 881

*Included in the Administration costs is 93,09% cost of employment (2022: 97,47%) budgeted and costed under Discretionary grants and Project expenditure.

8. Administration expenditure

	Note(s)	2023 R '000	2022 R '000 Re-stated
Total administration expenditure		**151 841**	**118 865**
Depreciation, amortisation and impairments		5 563	5 341
Maintenance, repairs and running costs		2 417	1 754
Property and buildings		2 249	1 664
Machinery and equipment		168	89
Advertising, marketing and promotions, communication		8 812	5 703
Consulting and professional fees		5 094	3 332
Legal fees		2 410	1 310
Cost of employment	8.1	94 959	78 672
Travel and accommodation		5 643	1 278
Staff training and development		1 603	1 204
Remuneration of Board and committee members		2 287	1 568
Internal audit fees		694	1 133
External audit fees		4 245	4 370
Printing and stationery		1 349	1 079
Conferences, meetings and seminars		3 525	1 049
Insurance		326	664
Rates and taxes, water, electricity and security		3 798	3 895
Donations and sponsorships		457	55
Rental – operating leases	8.2	505	223
IT expenses		6 998	5 614
Subscription and membership fees		106	92
Other expenses		1 050	530
8.1 Cost of employment		**90 071**	**74 237**
Basic salaries		36 838	36 096
Performance awards		15 379	9 076
Other non-pensionable allowance		33 572	25 632
Temporary staff		2 879	1 934
Leave provision movement		578	637
SDL		825	862
Social contributions		**4 888**	**4 435**
Pension contributions		4 631	4 191
UIF		256	221
Other salary related costs		-	23
		94 959	**78 672**
Average number of employees		154	164
8.2 Operating lease obligation			
Within one year		15	60
In 2 to 5 years		-	15
Total		**15**	**75**

MQA entered into a rental agreement for the North West regional offices from 01 July 2018 to 31 July 2023 and thereafter run on month to month basis.

9. Transfers to other government entities

	2023 R '000	2022 R '000
Transfer to QCTO	**8 655**	**5 497**

SETA Grant Regulation 2(4) provides that a SETA will transfer as part of its administration costs an amount that does not exceed 0.5% of the total levy paid by employers to the QCTO (Entity under common control with the MQA) for quality assurance functions and the actual quantum will be determined by the Minister of Higher Education and Training. The Minister determined the amount disclosed above.

10. Property, plant and equipment

	2023			2022		
	Cost/Valuation	Accumulated depreciation/ impairment	Carrying value	Cost/Valuation	Accumulated depreciation/ impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
	91 204	**(25 172)**	**66 032**	**80 768**	**(31 790)**	**48 977**
Office furniture	5 269	(3 779)	1 490	4 831	(3 521)	1 310
Motor vehicles	709	(478)	231	709	(418)	291
Office equipment	7 048	(5 771)	1 277	6 877	(6 027)	850
Computer equipment	6 388	(4 847)	1 541	5 929	(4 905)	1 024
Fixtures and fittings	12 209	(10 038)	2 171	12 152	(8 956)	3 196
Office building	58 820	0	58 820	50 000	(7 817)	42 183
Cell phones	761	(260)	502	270	(147)	123

	RECONCILIATION – 2023					
	Opening carrying amount	Additions	Disposals	Depreciation	Revaluation surplus	Carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
	48 978	**3 817**	**(166)**	**(5 187)**	**18 591**	**66 033**
Office furniture	1 311	611	(44)	(388)	-	1 490
Motor vehicles	291	-		(60)	-	231
Office equipment	850	956	(9)	(519)	-	1 277
Computer equipment	1 024	1 531	(104)	(908)	-	1 542
Fixtures and fittings	3 196	57	-	(1 082)	-	2 171
Office building	42 183	-	-	(1 954)	18 591	58 820
Cell phones	123	662	(9)	(275)	-	501

	RECONCILIATION – 2022						
	Opening carrying	Additions	Disposals	Prior Period Errors	Depreciation	Revaluation surplus	Closing carrying
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	53 356	**1 071**	**(51)**	**(384)**	**(5 014)**	**-**	**48 978**
Office furniture	1 637	98	-	(62)	(363)	-	1 311
Motor vehicles	351	-	-		(60)	-	291
Office equipment	1 392	95		(5)	(632)	-	850
Computer equipment	1 300	773	(43)	(317)	(689)	-	1 024
Fixtures and fittings	4 412	-			(1 215)	-	3 196
Office building	44 137	-	-		(1 954)	-	42 183
Cell phones	126	105	(8)		(100)	-	123

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Further details on the office building

The 3 934 square metre building is situated on ERF 917, 7 Anerley Road, Parktown, Johannesburg. There are no restrictions on the title to the property, plant and equipment and no items are pledged as security for liabilities.

The office building was re-valued on 31 March 2023 by an independent valuer who holds a qualification in property valuations and is a member of South African Council for Property Valuer's Profession. The valuation was based on the Income Capitalisation Method as well as the Comparable Sales Method in the prior year. The first method was carried out with reference to the open market rentals, market escalations and market related costs while the latter was carried out with reference to comparable market related sales and both methods were used to determine the market related valuation. The building is due for another revaluation in March 2028.

11. Intangible assets

	2023			2022		
	Cost/ Valuation	Accumulated depreciation/ impairment	Carrying value	Cost/ Valuation	Accumulated depreciation/ impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
	3 595	**(2 829)**	**766**	**3 772**	**(2 855)**	**917**
Computer software	3 595	(2 829)	766	3 772	(2 855)	917

	RECONCILIATION 2023					
	Opening carrying amount	Additions	Disposals	Other changes, movements	Depreciation	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
	917	**225**	**-**	**-**	**(377)**	**766**
Computer software	917	225	-	-	(377)	766

	RECONCILIATION 2022						
	Opening carrying amount	Additions	Disposals	Prior Period Error	Other changes, movements	Depreciation	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	231	**1 032**		**(18)**	**-**	**(327)**	**917**
Computer software	231	1 032		(18)	-	(327)	917

	2023	2022
	R '000	R '000
Maintenance, repairs and running costs paid to service providers	**2 417**	**1 754**
Property and buildings	2 249	1 664
Machinery and equipment	168	89

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12. Receivables from exchange transactions

	2023 R '000	2022 R '000 Re-stated
	3 906	**5 887**
Staff advances	37	23
Prepayments	932	545
Deposits	4	4
Other receivables	1 950	4 767
Interest receivable	983	548

13. Inventories

Consumable stores	183	490
Recognised as an expense during the year	843	630

14. Receivables from non-exchange transactions

	27 202	**1 673**
Mandatory grants receivables	5 048	1 437
Administration and public sector levies receivable	0	0
Inter-SETA – Administration	65	31
Inter-SETA – Employer grants	82	59
Inter-SETA – Discretionary	306	145
Discretionary funds receivables	21 700	0

14.1 Mandatory grants receivables

	5 048	**1 437**
Overpayments to employers	5 120	1 531
Provision for doubtful debts	(95)	(107)
Net effect of SARS retrospective adjustments	**5 025**	**1 424**
Mandatory grants receivable from other SETAs	22	14

The MQA calculates and pays mandatory grants to employers based on the levy information from the DHET as obtained from SARS in line with Skills Development Levies Act. Where SARS retrospectively amends the information on levies collected, this may result in grants that have been paid to certain employers that are in excess of the amount the MQA is permitted to have granted to employers as mandatory grants thus resulting in mandatory grant receivable being raised. The MQA as required by the standard of GRAP assess non contractual receivables for impairment at the end of each reporting period and the above disclosed provision for bad debts was based on impairment indicators identified by management in line with GRAP.

R 5 120 000 (2022: R 1 531 000) was recognised as a receivable relating to actual payments of mandatory grants, which were previously paid and subsequently reversed by employers in the reporting period.

A provision for bad debts of R94 822,39 (2022: R107 245,00) has been raised respectively with the change in movement recognised in the statement of financial performance of R12 422,41 (2022: R107 245,00) respectively.

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	2023 R '000	2022 R '000 Re-stated
15. Cash and cash equivalents	**1 089 242**	**1 080 674**
Cash at bank	261 154	361 219
Cash on paycard	4	15
Cash on paycard and at bank	261 157	361 234
Short-term investments/instruments	828 085	719 440

The Skills Development Act Regulations states that the MQA may, if not otherwise specified by the Public Finance Management Act, invest the moneys in accordance with the investment policy approved by the MQA Accounting Authority.

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the MQA as a public entity that is listed in Schedule 3A of the Act must invest surplus funds with the Corporation for Public Deposits (CPD).

Surplus funds were deposited with the South Africa Reserve Bank in the CPD account of the MQA in line with the Treasury Regulation 31.3.

Borrowings/Loans

In terms of PFMA section 66(3)(c), public entities may borrow money or, issue a guarantee, indemnity or security only through the Minister of Higher Education, Science and Technology or the Minister of the Department of Mineral resource, as the case may be, acting with the concurrence of the Minister of Finance.

In terms of Treasury Regulation 32.1.1, the MQA as schedule 3A public entity may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

No such borrowings were entered into during the period.

16. Employee benefit obligations

Defined contribution plan

The MQA operates a defined contribution umbrella pension fund. Each employee contributes 8% and the MQA 16% in respect of each employee. The employee's future benefits depend on the operating efficiency and investment earnings of the fund.

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	2023 R '000	2022 R '000 Re-stated
17. Grants and transfers payable from non-exchange transactions	**300 064**	**256 095**
Skills development grants payable – Mandatory	5 290	1 912
Skills development grants payable – Discretionary	294 774	254 075
Inter-SETA payables – Administration	0	0
Inter-SETA payables – Employer grants	0	11
Inter-SETA payables – Discretionary	0	27
Donor payables	0	70
18. Trade and other payables from exchange transactions	**5 512**	**4 634**
Trade payables	2 708	3 104
Trade creditors accruals	2 269	714
Cell phone contracts obligations	535	130
Payroll creditors and accruals	0	687

19. Provisions

Reconciliation of provisions	2023			
	Opening balance	Utilised during	Addition	Total
	R'000	R'000	R'000	R'000
	21 549	**(11 919)**	**15 957**	**25 587**
SARS Creditors – Administration	386	-	-	386
SARS Creditors – Mandatory	737	-	-	737
SARS Creditors – Discretionary	1 820	-	-	1 820
Administration provisions – Leave	6 926	(1 417)	578	6 087
Administration provisions – Bonus	11 680	(10 502)	15 379	16 557

Reconciliation of provisions	2022			
	Opening balance	Utilised during	Addition	Total
	R'000	R'000	R'000	R'000
	20 678	(11 956)	12 827	21 549
SARS Creditors – Administration	395	(71)	62	386
SARS Creditors – Mandatory	752	(134)	119	737
SARS Creditors – Discretionary	1 859	(333)	294	1 820
Administration provisions – Leave	7 307	(1 297)	916	6 926
Administration provisions – Bonus	10 365	(10 121)	11 436	11 680

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20. Cash generated from operations

	2023 R '000	2022 R '000 Re-stated
Surplus (Deficit)	(18 765)	39 865
Adjustments for:		
Depreciation and amortisation	5 563	5 341
Loss/(Gain) on sale of assets and liabilities	105	19
Movements in provisions	4 038	872
Other non-cash items	(2)	1
Changes in working capital		
Inventories	308	(163)
Receivables from exchange transactions	1 981	(257)
Other receivables from non-exchange transactions	(25 531)	80
Payables from exchange transactions	878	1 927
Transfers payable (non-exchange)	43 969	(10 084)
	12 545	**37 602**

21. Contingent Liabilities

21.1 Mandatory grant reserve

A balance of R417 000 (2022: R1 162 000) has been set aside in terms of the accounting policy. The amount of the outflow depends on the new employers' awareness about the provisions of the grants regulations that entitle them to claim the grants within six months of their first registration as employers for the purposes of the Skills Development Levies Act.

The employers have until 31 August 2023 to claim the mandatory grants after which they expire and will be credited to the discretionary funds in terms of the grants regulations.

21.2 Business Unity South Africa (BUSA) vs. Department of Higher Education and Training

21.2.1 In October 2019, BUSA won a court case against DHET where the department's decision to decrease the mandatory grant levies and grants percentage was decreased from 50% to 20% in terms of section 4(4) of the SETA Grant Regulations was set aside. The court did not decide on the mandatory levy or grant percentage, nor did it specify whether the ruling should be applied retrospectively or prospectively. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision with regard to the mandatory grant percentage.

21.2.2 DHET continued to show the mandatory levies portion as 20% from 2019/20 financial year to date in the levy download information. The MQA continued to pay and accrue mandatory grants at 20% in line with the levy download percentage. In the absence of a revised percentage and mandatory grant expenditure in Notes 2 and 7 as well as the mandatory grant liability in notes 7 and 14 were calculated using mandatory grant percentage of 20%.

21.2.3 The MQA, therefore, discloses a contingent liability for mandatory grants payable to qualifying levy payers and this disclosure was due to the intention of the litigants, BUSA, to increase the mandatory grant percentage of 20%.The timing and amount of this contingent liability is uncertain and no reasonable estimate can be made at this point. Currently the department is in discussions with BUSA and the outcome of the discussions are unknown.

21.3 Litigations

Contractual disputes with training providers, service providers and former employees resulted in three claims lodged with the courts against the MQA for an amount of R 51 639 965 (2022: R 61 364 967). All three of the cases were from the preceeding years and uncertainty regarding the outflow is still the same as the prior years because the cases are still ongoing.

21.4 Retention of surpluses

Section 53 (1) of the PFMA, requires public entities not to budget for a deficit and not to accumulate surpluses unless prior written approval is received from National Treasury. The surpluses as at 31 March 2023 were as follows:

	2023	2022
Account balance description	**R'000**	**R'000**
Cash and Cash Equivalents	1 089 242	1 080 674
Debtors	31 108	7 559
Creditors	-331 164	-282 278
Total Surpluses	**789 187**	**805 955**

22. Contingent assets

The MQA has instituted one legal claim against third parties and based on the legal opinion, there is a probability of an inflow amounting to R 94 105 (2022: R 215 863,73).

23. Commitment Note as at 31 March 2022

	2022/23			
Programmes	Opening balances	Prior period adjustments	Restated opening balance 2022	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000
Total	**924 070**	**7 264**	**931 334**	**1 183 364**
MQA-A001 – HEI Lecturer Support	3 462	-	3 462	5 391
MQA-A002 – Bursaries	53 790	1 645	55 435	49 191
MQA-A003 – Work Experience	37 524	39	37 563	36 231
MQA-A006 – Internships (GDP)	231 706	(1 320)	230 386	257 649
MQA-A007 – Non Artisan Learnerships	71 075	(171)	70 904	71 824
MQA-A013 – MQA Artisan Development	261 885	(694)	261 191	425 108
MQA-A015 – TVET College Support	83 121	7 739	90 859	147 890
MQA-A019 – Mine Community Development	116 733	26	116 759	110 013
MQA-A020 – Workplace Coach Development	10 200	-	10 200	8 760
MQA-A022 – Management Development	3 432	-	3 432	3 811
MQA-A011 – NSF 2 - Artisan Development	6 768	-	6 768	3 402
MQA-A041 – HDSA Management Development Candidacy	1 757	-	1 757	21 760
MQA-A044 - Research Partnerships	1 579	-	1 579	3 185
MQA-A021 – Youth Development Project	41 040	-	41 040	39 149

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24. Irregular, fruitless and wasteful expenditure

	2023	2022
	R'000	R'000
Irregular expenditure	20 534	61
Fruitless and wasteful expenditure	-	-
Total	**20 534**	**61**

24.1 Irregular expenditure for the current financial year include:

24.1.1. Amounts incurred and confirmed in the current financial year.

24.2 Irregular expenditure for the previous financial year include:

24.2.1. Amounts incurred and confirmed in the previous financial year.

*The Minister of Higher Education and Training approved a budget of R1.592 billion for the period 1 April 2022 to 31 March 2023. A further approval for the MQA's application of the retention of surpluses of R807.634 million was received on 14 March 2023. The Actual expenditure of the MQA amounts to R1.613 billion.

The MQA exceeded the approved budget of R1.592 billion by R21 million, this resulted with Irregular Expenditure (as disclosed above) as the retained surpluses do not constitute budget and their approval does not authorise their utilisation.

25. Financial instruments

In the course of its operations, the MQA is exposed to interest rate, credit, liquidity and market risk. The MQA has developed a comprehensive risk strategy in order to monitor and control these risks.

The MQA's exposure to cash flow risk, interest rate risk and the effective interest rates on the financial instruments at reporting date are as follows:

	2023				
	Floating rate		Non-interest bearing		Total
	Amount	Effective interest rate	Amount	Weighted average period until maturity	
	R '000	%	R '000	Years	R '000
Assets					
Cash	1 089 242	6%	-		1 089 242
Accounts receivable from exchange transactions	-		3 906	4 years	3 906
Less: Prepayments	-		(932)		(932)
Accounts receivable from non-exchange transactions	-		27 202	2 years	27 202
Less: Statutory receivables	-		(21 700)		(21 700)
Less: Inter-SETA receivables	-		(454)		(454)
Less: Mandatory grants receivables	-		(5 048)		(5 048)
Total financial assets	**1 089 242**		**2 974**		**1 092 216**

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	2023				
	Floating rate		Non-interest bearing		Total
	Amount	Effective interest rate	Amount	Weighted average period until maturity	
	R '000	%	R '000	Years	R '000
Liabilities	-				
Accounts payable from exchange transactions	-		(5 512)	2 years	(5 512)
Accounts payable from non-exchange transactions	-		(300 064)	2 years	(300 064)
Add: Inter-SETA Payables	-		-		-
Add: Mandatory grants payables	-		5 290		5 290
Total financial liabilities	-		(300 286)		(300 286)
	1 089 242		**(297 311)**		**791 930**

	2022				
	Floating rate		Non-interest bearing		Total
	Amount	Effective interest rate	Amount	Weighted average period until maturity	
	R '000	%	R '000	Years	R '000
Assets					
Cash	1 080 674	5%	-		1 080 674
Accounts receivable from exchange transactions	-		5 887	3 years	5 887
Less: Prepayments	-		(545)		(545)
Accounts receivable from non-exchange transactions	-		1 673	2 years	1 673
Less: Inter-SETA receivables	-		(235)		(235)
Less: Mandatory grants receivables	-		(1 437)		(1 437)
Total financial assets	**1 080 674**		**5 342**		**1 086 016**
Liabilities	-				
Accounts payable from exchange transactions	-		(4 634)	2 years	(4 634)
Accounts payable from non-exchange transactions	-		(256 095)	2 years	(256 095)
Add: Inter-SETA Payables	-		38		38
Add: Mandatory grants payables	-		1 912		1 912
Total financial liabilities	-		(258 780)		(258 780)
	1 080 674		**(253 437)**		**827 237**

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Credit risk

Financial assets, which potentially subject the MQA to the risk of non-performance by counter-parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

The MQA limits its counter-party exposure by only dealing with well-established financial institutions approved by the National Treasury. The Accounting Authority continuously monitors the MQA's exposure.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The MQA's concentration of credit risk is limited to the industry (mining industry) in which it operates.

Ageing of trade and other receivables from non-exchange transactions

	2023	2022
	Fair valued/ Amortised cost	Fair valued/ Amortised cost
	R '000	R '000
Receivables from exchange transactions	3906	5887
Less: Prepayments	(932)	(545)
Receivables from non-exchange transactions	27 202	1 673
Less: Statutory receivables	(21 700)	0
Less: Inter-SETA receivables	(454)	(235)
Less: Mandatory grants receivables	(5 048)	(1 437)
Due 0-3 years	**2 974**	**5 342**

Cash and cash equivalents

	2023	2022
	Fair valued/ Amortised cost	Fair valued/ Amortised cost
	R '000	R '000
Not past due	**1 089 242**	**1 080 674**

Liquidity risk

The MQA manages liquidity risk through proper management of working capital, capital expenditure, long-term cash projections and monitoring of actual vs. forecasted cash flows and its cash management policy.

	2023	2022
	Between 0 and 3 years	Between 0 and 3 years
	R '000	R '000
Trade and other payables from exchange transactions	(5 512)	(4 634)
Trade and other payables from non-exchange transactions	(300 064)	(256 095)
Add: Inter-SETA payables	-	38
Add: Mandatory grants payables	5 290	1 912
Due 0-3 years	**(300 286)**	**(258 780)**

Market risk

The MQA is exposed to fluctuations in the employment market, for example sudden increases in unemployment and changes in the wage rates adversely affects the MQA revenues.

26. Related party transactions

The MQA is a Schedule 3A public entity under the control of Department of Higher Education and Training as well as the Department of Mineral Resources and Energy, it is therefore, related to controlled entities under both departments and national departments in the same sphere of government with the two mentioned departments. The related parties include amongst others, Public Universities and Technical Vocational Education Training colleges. The transactions the MQA had with related parties include amongst others, projects in terms of the MQA funding policy and the SETA grants regulations, and all were within the legislated mandate of the MQA. Furthermore, the MQA receives monthly transfer from DHET for levies collected. This is in line with normal operations of the MQA and the details are included in note 3.

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26.1 Inter-SETA transactions

Inter-SETA transactions and balances arise due to the movement of employers from one SETA to another and levies due from the SETA to which the employers erroneously contributed its levies and or submitted its WSP/ATR. No other transactions occurred during the period with other SETAs.

Sector Education and Training Authorities

	2023	2022
	Amount receivable (payable)	Amount receivable (payable)
	R '000	R '000
	219	**198**
MERSETA	-	-34
SERVICES SETA	-	221
HW SETA	92	-
W&R SETA	127	-
TETA	-	-3
CETA	-	14

26.2 Other public entities

	2023			
	Write-off	Debtor	Payable	Commitments
	R '000	R '000	R '000	R '000
	-	**22**	**1 369**	**4 802**
ETDP SETA	-	22	-	-
Mintek	-	-	1 142	3 594
Petroleum Agency SA	-	-	-	75
Council For Geoscience	-	-	227	1 133

	2022			
	Write-off	Debtor	Payable	Commitments
	R '000	R '000	R '000	R '000
	-	**14**	**3 477**	**3 349**
Unemployment Insurance Fund	-	-	70	-
ETDP SETA	-	14	-	-
Mintek	-	-	3 387	3 240
Petroleum Agency SA	-	-	20	109

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26.3 Universities and TVET colleges

	2023		2022	
	R '000	R '000	R '000	R '000
	Amount payable	Amount committed	Amount payable	Amount committed
Cape Peninsula University of Technology	10 449	2 174	120	1 578
Capricorn College for FET	60	324	82	134
Central University of Technology Free State	170	3 350	2 410	1 688
Durban University of Technology	2 660	919	799	443
Ekurhuleni East TVET College	771	8 439	1 414	6 758
Flavius Mareka TVET College	-	119	31	146
Goldfields TVET College	544	1 727	-	1 944
Mangosuthu University of Technology	1	523	892	377
Mopani South East TVET College	2 229	5 259	2 582	2 073
Nelson Mandela Metropolitan University	2 911	731	127	660
Nkangala FET College	487	-	-	-
North West University	3 086	450	137	1 100
Northern Cape Urban TVET College	147	903	-	-
Orbit TVET College	26	302	64	108
Sekhukhune FET College	452	1 415	792	996
South West Gauteng College	696	3 315	376	2 060
University of Johannesburg	6 445	11 008	7 814	9 794
Tshwane University of Technology	17 219	5 719	441	9 723
University of Venda	1 535	2 081	2 195	994
University of Pretoria	4 358	1 334	37	4 334
University of Fort Hare	546	140	-	13
University of Stellenbosch	58	14	1 041	93
University of KwaZulu-Natal	2 233	637	157	356
University of the Free State	3 286	343	2 634	168
University of the Witwatersrand	862	1 159	135	8 343
University of Limpopo	5 262	982	1 742	439
Vhembe TVET College	18	1 318	174	302
Walter Sisulu University	-	43	278	85
University of the Western Cape	43	150	112	173
University of Cape Town	2 488	1 511	1 224	970
Maluti TVET College	-	-	-	1 089
Motheo TVET College	738	4 038	348	2 021
Buffalo City TVET College	105	1 177	-	-
Rhodes University	105	127	496	135
Northern Cape Rural TVET College	826	4 390	13	7 455
Vaal University of Technology	6 710	4 934	3 508	2 798
Western TVET college	-	151	44	705
University of South Africa	3 830	3 684	2 283	4 721
Gert Sibande TVET College	380	926	-	-

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	2023		2022	
	R '000	R '000	R '000	R '000
	Amount payable	Amount committed	Amount payable	Amount committed
Vuselela TVET College	15	209	140	121
Central Johannesburg College	4	65	89	151
Ekurhuleni West TVET College	446	2 115	69	1 601
Lephalale TVET College	37	1 150	97	117
Majuba TVET College	1 772	8 334	52	3 874
Nkangala TVET College	776	3 251	-	3 709
Sedibeng TVET College	12	130	50	86
Taletso TVET College	1	22	13	22
King Sabata Dalindyebo TVET	46	1 199	37	65
West Coast TVET College	677	1 353	-	2 030
Lovedale TVET College	413	957	-	1 254
Ingwe Tvet College	273	1 134	-	330
Northlink TVET College	970	2 578	-	2 490
College of Cape Town	281	611	561	1 641
Western College for FET Carletonville	314	-	594	-
Port Elizabeth TVET College	-	-	13	22
Letaba TVET College	-	43	36	16
Sefako Makgatho Health Sciences University	269	65	79	4
Waterberg TVET College	275	541	13	22
University of Mpumalanga	-	199	-	143
Tshwane North TVET College	6	65	-	65
Tshwane South TVET College	2	995	-	162
Sol Plaatje University	376	100	224	27
Enhlanzeni Tvet College	1	22	-	97
King Hintsa TVET College	297	1 188	-	891
Limpopo CET	-	-	150	-
Mpumalanga Cet College	450	450	490	-
North West Community Education & Training College	-	-	270	-
Ikhala TVET College	221	3 185	-	-
Eastern Cape CET College	168	168	-	-
Umfolozi TVET College	231	924	-	-
False Bay TVET College	168	1 147	-	4
Mthashana TVET College	2	43	-	-
Esayidi TVET College	-	22	-	-
University of Zululand	72	48	-	-
KwaZulu-Natal CET College	-	-	450	-
Free State CET	250	250	-	-
SIR Val Duncan TVET College	-	630	-	-
	90 556	**109 003**	**37 929**	**93 719**

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26.4 Board fees

	2023	2022
Board member	**Fees paid**	**Fees paid**
	R'000	**R'000**
	1 494	**928**
R Motlou	157	66
S Dlamini-Mthethwa	111	107
F Stehring	166	95
J Van vuuren	173	123
A Atlee	219	152
V James	111	97
K Netshiombo	109	97
O Kgware	172	107
M Malaza	120	58
T Tlhapane	156	26

26.5 Departments

	2023		
	Amount receivable	Amount payable	Amount Committed
Entity	R '000	R '000	R '000
Department of Mineral Resources and Energy	-	672	1 556
	-	672	1 556

	2022		
	Amount receivable	Amount payable	Amount Committed
Entity	R '000	R '000	R '000
Department of Mineral Resources and Energy	-	-	2 800
	-	-	2 800

26.6 Bursaries awarded to beneficiaries recruited by entities previously represented at the board

In the past the Board resolved that, in respect of bursaries, the MQA may enter into Memorandum of Agreements (MOAs) with entities listed below. The bursary beneficiaries allocated as a result of the MOAs are selected by the entities using selection and funding criteria that is aligned to the criteria used to select and fund other MQA bursary beneficiaries. Subsequently the Board reconsidered the decision, and no allocation was made for 2021/2022 financial year until further notice. The disclosure is for the students that were already in the programme.

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2022/2023			
Stakeholder details	Constituency	Total amount payable	Total commitment
		R'000	R'000
DMRE	State	R0	R313
JB Marks	Organised Labour	R0	R149
Anglo Gold Ashanti	Organised Employers	R0	R24
Impala Platinum	Organised Employers	R0	R4
Harmony Gold Mine	Organised Employers	R0	R147
Richards Bay Mining	Organised Employers	R0	R13
Total		**R0**	**R650**

2021/2022			
Stakeholder details	Constituency	Total amount payable	Total commitment
		R'000	R'000
DMRE	State	R0	R1 032
JB Marks	Organised Labour	R26	R845
Anglo Gold Ashanti	Organised Employers	R0	R66
Impala Platinum	Organised Employers	R0	R48
Harmony Gold Mine	Organised Employers	R784	R306
Richards Bay Mining	Organised Employers	R0	R0
Total		**R810**	**R2 297**

26.7 Board sub-committees fees

Committee member	Committee	2022	2021
		Fees paid	Fees paid
		R '000	R '000
		525	**249**
P Phukubje (Chairperson 2022/2023)	ARC	**178**	**44**
Adv JC Weapond	ARC	**117**	**88**
M Sikhosana	ARC	**85**	**38**
Y Mqoboli (Chairperson 2022/2023)	REMCO	**86**	**79**
I Swafo	REMCO	**26**	**-**
L Motsosi	REMCO	**33**	**-**

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26.8 Executive managers

	Basic salaries	Performance bonuses	Leave paid out	Non-pensionable allowances	Acting allowances	Pension contributions	Total 2023	Total 2022
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
N.B. Nemagovhani (CRM&EO)	**833**	**366**	**-**	**830**	**-**	**123**	**2 152**	**2 575**
DR T. Mashongoane (COO)(CEO)	**1 143**	**246**	**-**	**603**	**568**	**173**	**2 733**	**1 709**
M. Mavhungu (EMCS)	**667**	**216**	**-**	**1 018**	**-**	**107**	**2 008**	**1 562**
L. Matlala (CFO)	**967**	**262**	**-**	**707**	**-**	**142**	**2 078**	**1 934**
B. Mathebula (ACOO)	**584**	**220**	**27**	**754**	**449**	**86**	**2 120**	**1 672**
T. Tsotetsi (AEMSR)	**750**	**212**	**27**	**565**	**416**	**111**	**2 081**	**1 641**
S. Xaba (M&EM_ ACRM&EO)								**1 917**
N. Mashinini (LPSM_AEMSR)								**1 890**
N. Jacobs (SCMM_ ACFO)								**1 548**
Grand Totals	**4 944**	**1 522**	**54**	**4 477**	**1 433**	**742**	**13 172**	**16 448**

Notes
N.B. Nemagovhani appointed CRM&EO effect 01-08-2017
Dr T. Mashongoane appointed as COO effective 01-05-2021 & ACEO from 01-03-22 to 01-02-2023 & appointed CEO effective 01-03-2023
M. Mavhungu appointed as EMCS effective 01-05-2021
L. Matlala Appointed Acting CFO 01-04-2020 - 31-03-2021, Extended to 31-12-2021 however 24-06-2021 to 31-07-2021 Maternity Leave, Appointed CFO effective 01-03-2022
B. Mathebula (RMFS) Appointed Acting COO from 01-03-2022 to CURRENT
T. Tsotetsi (RMMP) Appointed Acting EMSR from 01-03-2022 to CURRENT
S. Xaba Appointed Acting CRM&EO 01-05-2020-31-12-2021
N. Mashinini Appointed Acting EMSR 01-04-2020 - 28-02-2022
N. Jacobs Appointed Acting CFO 24-06-2021 - 10-08-2021

27. Events after the reporting date

Adjusting events

There were no adjusting events after the reporting period for the period ander review.

Non-adjusting events

There were no non-adjusting events after the reporting period for the period ander review.

28. New standards and interpretations

At the date of authorisation of these Annual Financial Statements, the following Generally Recognised Accounting Practice standards and interpretations were in issue but not yet effective. The following standards and interpretations are applicable to the MQA, and may or may not have an impact on future Annual Financial Statements.

GRAP 1: Presentation Of Financial Statements

The standard was issued in April 2019 and its effective date is 01 April 2023. The standard prescribes the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. This Standard sets out overall considerations for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

It is expected that the standard will affect future presentation, accounting and disclosures of the MQA.

GRAP 25: Employee Benefits

The standard was issued in April 2021 and its effective date is not yet determined. The standard prescribes the accounting and disclosure requirements for employee benefits. This Standard requires an entity to recognise a liability when an employee has provided service in exchange for employee benefits to be paid in the future and recognise an expense when the entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

It is expected that the standard will affect future accounting and disclosures of the MQA.

GRAP 103: Heritage Assets

The standard was issued in June 2022 and its effective date is not yet determined. The standard prescribes the accounting and disclosure requirements for heritage assets. Harigte assets are assets that have cultural significance, and are held indefinitely for the benefits of present and future generation.

It is expected that the standard will not affect future accounting and disclosures of the MQA.

GRAP 104: Financial Instruments

The standard was issued in April 2019 and its effective date is not yet determined. The standard prescribes principles for recognising, measuring, presenting and disclosing financial instruments. Financial instruments are contractual arrangements that give rise to a financial asset in one entity and a financial liability or residual interest of another.

It is expected that the standard will affect future recognition, measurement, presentation and disclosure of financial instruments of the MQA.

IGRAP 7: Limit on a Defined Benefit Asset Min Fund Requirement and Interact

The standard was issued in April 2021 and its effective date is not yet determined.The standard provide guidance on when refunds or reductions in future contributions should be regarded as available in accordance with the definition of the asset ceiling in paragraph .08 of GRAP 25 and how a minimum funding requirement might affect the availability of reductions in future contributions It is expected that the standard will not affect future accounting and disclosures of the MQA.

IGRAP 21: The Effect of Past Decisions on Materiality

The standard was issued in June 2021 and its effective date is not yet determined. The standard provides guidance on whether past decisions about materiality affect subsequent reporting periods and whether applying alternative accounting treatments based on materiality is a departure from the standards of GRAP or an error.

It is expected that the standard will not affect future accounting and disclosures of the MQA.

Guideline on accounting for landfill sites

The standard was issued in April 2019 and its effective date is not yet determined.The standard provides guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making.

It is expected that the standard will not affect future accounting and disclosures of the MQA.

29. Going concern

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

The Board is satisfied that the MQA has adequate financial resources to continue in operation for the foreseeable future and accordingly the Annual Financial Statements have been prepared on a going concern basis.

SETAs are established through the provisions of the Skills Development Act and the MQA has been re-licensed as a SETA until 31 March 2030.

30. Statement of comparison of budget and actual amounts – Variances explanations

The budget for income, current and capital expenditure is prepared on the accrual basis of accounting. The budget is based on anticipated operational activities, tangible and intangible assets required to achieve targets set out in the Annual Performance Plan (APP) as well as estimated costs to carry out such activities or acquire the required assets.

The approved budget includes only the activities of the MQA and is for the period 1 April 2022 to 31 March 2023.

MATERIAL DIFFERENCES BETWEEN THE BUDGET AND ACTUAL AMOUNTS

30.1 Other income, grants recoveries and levy Interest and penalties

Levies, interest and penalties are due to non-compliance with the Skills Development Levies Act and the MQA did not anticipate that Employers will not comply, hence there was no budget and this resulted in a 100% variance. Furthermore, the MQA did not anticipate that there will be Grants recoveries and Other Income.

Interest received - investment was 14% above the budget due to a higher bank balance and the increase in the interest rates as a result of SARB hiking the Repo rate. This led to more funds being available to be re-invested.

30.2 Personnel costs

Under spending on personnel costs was mainly due to vacant positions not yet filled.

30.3 Capital expenditure and depreciation and amortisation

Actual expenditure was below the budget mainly because of the delays in delivery of the assets due to unavailability of stock.

30.4 Repairs and maintenance

Expenditure was mainly due to higher diesel refills as a result of rolling black outs.

30.5 General expenses

Actual expenditure was higher than the budget by 9% due to various factors, including overspending on travel costs caused by the discontinuation of the Disaster Management Act leading to stakeholders reverting to the old habits of travelling, Training and development as employees are utilising the opportunity offered by the MQA to the full extent to further develop themselves, and Legal fees due to a legal matter that was re-instated which was not catered for and as well as some legal hearings that were also not anticipated.

30.6 Employer grant and project expenditure

101% of the employer grant expenditure budget was spent, however the overspending was incurred in discretionary grant due to savings from mandatory grant and the retention of surplus as approved by the minister.

There is a variance of 35% which is through adding the approved budget and the retention of surplus as approved by the Minister (mainly for multiyear commitments) compared to the actual expenditure. From the budgets perspective, the discretionary grant budget was exceeded due to the demand in the Mining and Minerals Sector and the overspending was mainly covered by the savings from mandatory grant expenditure which has dependencies as per the act, and utilisation of some of the retention of surplus.

30.7 Skills Development Levy: Income

The SDL income was below budget by 6%. This was mainly due to reversals in some months.

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31. Prior period errors

In the current year some line items of the Annual Financial Statements disclosed in the prior years were restated due to errors which were identified. The errors were as a result of transactions erroneously omitted and or erroneously accounted for. The restatements were done retrospectively in line with the standard. Below are classes of transactions, account balances and disclosure notes which were restated as a result of errors:

	2022 R '000
31.1 Employer grant and project expenditure (statement of financial performance)	
As previously disclosed	1 218 856
Mandatory grants and Discretionary grants erroneously accounted for and/or omitted	1 514
Restated amount	**1 220 370**
31.2 Administration expenditure (statement of financial performance)	
As previously disclosed	118 791
Expenses erroneously omitted	74
Restated amount	**118 865**
31.3 Grant and transfer payables from non-exchange (statement of financial position)	
As previously disclosed	254 581
Prior year payables omission 2021/22	1 680
Prior year accruals erroneously included 2021/22	(166)
Restated amount	**256 095**
31.4 Discretionary reserves (Statement of financial position)	
As previously disclosed	806 871
Expenditure previously omitted 2020/21	0
Expenditure previously omitted 2021/22	(1 588)
Restated amount	**805 283**
31.5 Trade and other payables from exchange transactions (Statement of financial position)	
As previously disclosed	4 560
Accruals erroneously accounted 2021/22	74
Restated amount	**4 634**
31.6 Reserves (Statement of financial position)	
As previously disclosed	858 331
Expenditure previously omitted 2020/21	(403)
Expenditure previously omitted 2021/22	(1 588)
Restated amount	**856 340**

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	2022 R '000
31.7 Non-current Assets (Statement of financial position)	
As previously disclosed	50 297
Property, Plant & Equipment incorrectly accounted for in 2020/21	(385)
Intangible assets incorrectly accounted for in 2020/21	(18)
Property, Plant & Equipment incorrectly accounted for in 2021/22	0
Intangible assets incorrectly accounted for in 2021/22	0
Restated amount	**49 894**
31.8 Commitments - Opening Balances (Disclosure notes)	
As previously disclosed	924 070
Commitments previously omitted in 2021/2022	7 264
Restated amount	**931 334**
31.9 Commitments - Total adjustments (Disclosure notes)	
As previously stated	1 112 080
Commitments total adjustments erroneously presented in 2021/2022	-1 112 080
Restated	**-**
31.10 Commitments - Total adjustments (Disclosure notes)	
As previously disclosed	-911 627
Commitments Utilised erroneously presented in 2021/2022	911 627
Restated	**-**
31.11 Related parties	
31.11.1 Other public entities - Universities and TVET colleges - Committed	
As previously disclosed	84 798
Other public entities - Universities and TVET colleges - Committed previously omitted in 2021/2022	8 921
Restated amount	**93 719**
31.11.2 Other public entities - Universities and TVET colleges - Payable	
As previously disclosed	37 483
Other public entities - Universities and TVET colleges - Payable previously omitted in 2021/2022	445
Restated amount	**37 929**
31.11.3 Bursaries awarded to beneficiaries recruited by entities previously represented at the board - Total Amount Committed	
As previously disclosed	2 087
Bursaries awarded to beneficiaries recruited by entities previously represented at the board - Total amount	
Committed previously omitted in 2021/2022	210
Amount disclosed	**2 297**

SECTION 11

PFMA COMPLIANCE REPORT

PFMA COMPLIANCE REPORT

In terms of Paragraph 1.1 of PFMA Instruction note 4 of 2022/2023: PFMA Compliance and Reporting Framework prescribes for reporting requirements on matters related to:-

(a) Information on Irregular, Fruitless and Wasteful and Material Losses
(b) Information on Supply Chain Management
    (i) Procurement by other means
    (ii) Contract Variations and Expressions

(a). INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Reconciliation of irregular expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	61	189
Add: Irregular expenditure confirmed	20 534	61
Less: Irregular expenditure condoned	-	-R189
Closing balance	20 595	61

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure for the current year	20 534	61
Total	20 534	61

Details of current and previous year irregular expenditure condoned

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure condoned	-	-R189,00
Total	-	-R189,00

Reconciliation of fruitless and wasteful expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	-	103
Less: Irregular expenditure condoned	-	-R103
Closing balance	-	-

Details of current and previous year irregular expenditure not recovered and written off

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure written off	-	-R103,00
Closing balance	-	-R103,00

(b) INFORMATION ON SUPPY CHAIN MANAGEMENT

(i) Procurement by other means

No.	Order Number	Date Created	Description	Name of the Service Provider	Reasons	Purchase Order Amount
1.	PUO0001759	2022/08/30	Booking of annual SITA Govtech conference for MQA employee	State information Technology Agency	Sole service provider	R 60 000.00
2.	PUO0001762	2022/10/17	IPM annual conference for MQA employee	Institute of people management	Sole service provider	R 32 200.00
3.	PUO0001751	2022/08/29	African fraud annual conference for MQA employee	Association of certified fraud Examiner	Sole service provider	R7 500.00
4.	PUO0001785	2022/09/28	Work intergrated learning (WIL) conference for MQA employees	South African society for corporate education	Sole service provider	R 32 000.00
5.	PUO0001803	2022/10/31	25th Southern African Internal Audit Conference	The Institute of internal Auditors	Sole service provider	R 6 900.00
6.	PUO0001865	2022/11/28	Catering for PSETA meeting in collaboration with MQA	Northern Cape rural TVET college	Emergency/ Urgent cases	R 27 000.00
7.	PUO0001862	2022/11/28	10th annual edition clean audit conference	Audit Roundtable	Sole service provider	R 62 093.10
8.	N/A	2023/03/31	Flights that service specific routes for the 2023-2024 financial year.	South African Airlink	Sole service provider	N/A-RFQ on assignment bases.

(ii) Contract variations and expansions

No variations or expansions above the thresholds prescribed in terms of the instruction on Enhancing Compliance, Transparency and Accountability in Supply Chain Management are reported in the annual report.

NOTES

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