30 YEARS 1996-2026
MINING QUALIFICATIONS AUTHORITY







ANNUAL REPORT 2025-26

30 Years of Skills Development Excellence

'Mining Future Skills for Empowerment - Together'

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

MQA
MINING QUALIFICATIONS AUTHORITY

MINING QUALIFICATIONS AUTHORITY

ANNUAL REPORT
2025-2026
Mining Future Skills

HONOURABLE MINISTER AND DEPUTY MINISTER'S,
IT IS A PLEASURE TO PRESENT YOU WITH THE ANNUAL REPORT
OF THE MINING QUALIFICATIONS AUTHORITY
FOR THE FINANCIAL YEAR

1 APRIL 2025 TO 31 MARCH 2025



Mr Buti Manamela
Minister of Higher Education
and Training



Dr Mimmy Gondwe
Deputy Minister of Higher
Education and Training



Dr Nomusa Dube-Ncube
Deputy Minister of Higher
Education and Training



Mr Ogodiseng Senye
Former Interim MQA
Accounting Authority Chairperson



Dr Nomusa Zethu Qunta
MQA Accounting Authority 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)**
Registered Office Address:	7 Anerley Road, Parktown, Johannesburg, 2193
Postal Address:	Private bag X118, Marshalltown, 2107
Telephone Number:	011 547 2600
Email Address:	info@mqa.org.za
Website Address:	www.mqa.org.za
External Auditor's Information	Auditor-General South Africa P.O. Box 446 Pretoria 0001 South Africa
Banker's Information	Standard Bank Simmonds Street, Johannesburg, 2001 South Africa
Company Secretary	Ms Siphiwe Ngwenya Managing Director KB Company Secretaries (Pty) Ltd
Report Number:	RP: 138/2026 ISBN: 978-1-83491-917-1

1.2 ACRONYM LIST

4IR	Fourth Industrial Revolution
AA	Accounting Authority
AET	Adult Education and Training
AGSA	Auditor-General South Africa
AMCU	Association of Mineworkers and Construction Union
APP	Annual Performance Plan
APR	Annual Performance Report
ARG	Audit and Risk Committee
ATR	Annual Training Reports
AQP	Assessment Quality Partner
B-BBEE	Broad-Based Black Economic Empowerment
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
ACEO	Acting Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
COO	Chief Operating Officer
CoS	Centre of Specialisation
COSATU	Congress of South African Trade Unions
CRM	Customer Relationship Management
CRMEO	Chief Risk Monitoring and Evaluation Officer
CSD	Central Supplier Database
CET	Community Education and Training
CSIR	Council for Scientific and Industrial Research
DHET	Department of Higher Education and Training
DMPR	Department of Minerals and Petroleum Resources
DQP	Development Quality Partner
EMSG	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
FINCOM	Finance Committee
FLC	Foundational Learning Competence
GDP	Gross Domestic Product
MEDP	Management and Executive Development Programme
MHSA	Mine Health and Safety Act
M&E	Monitoring and Evaluation
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MMS	Mining and Minerals Sector
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
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSFAS	National Student Financial Aid Scheme
NUM	National Union of Mineworkers
NUMSA	National Union of Metalworkers of South Africa
OFO	Organising Framework of Occupations
OHS	Occupational Health and Safety
OQSF	Occupational Qualifications Sub-Framework
OTC	Occupational Trades Convenor
QA	Quality Assurance
QAP	Quality Assurance Partner
QDP	Quality Development Partner
PFMA	Public Finance Management Act
PWD	People with Disabilities
QAP	Quality Assurance Partner
QCTO	Quality Council for Trades and Occupations
GRAP	Generally Recognised Accounting Practice
GSC	Governance and Strategy Committee
GHCOS	Green Hydrogen Centre of Specialisation
HDSA	Historically Disadvantaged South African
HEA	Higher Education Act
HET	Higher Education and Training
HR	Human Resources
HRD	Human Resources Development
HRREMCO	Human Resources and Remunerations Committee
HVAC	Heating, Ventilation and Air Conditioning
ICT	Information and Communication Technology
IT	Information Technology
ITIL	Information Technology Infrastructure Library
ITSC	Information Technology Steering Committee
KZN	KwaZulu-Natal
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDA	Skills Development Act
SDF	Skills Development Facilitator
SDP	Skills Development Providers
SDR	Skills Development and Research
SETA	Sector Education and Training Authority
SLA	Service-level Agreement
SMME	Small, Micro, Medium Enterprises
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 Plans

1.3 VISION MISSION VALUES AND STRATEGIC OBJECTIVES

VISION

A competent mining and minerals workforce.

MISSION

To lead the South African mining and minerals sector skills development system in support of a competent workforce for inclusive socio-economic participation of beneficiaries.

VALUES

The MQA subscribes to the following values:

- Collaborative
- Customer centricity
- Innovation
- Impactful
- Ethical

STRATEGIC OBJECTIVES

Promote efficient and effective governance and administration.

Improve skills development planning and decision-making through research.

Promote work-based skills development to support transformation in the mining and minerals sector.

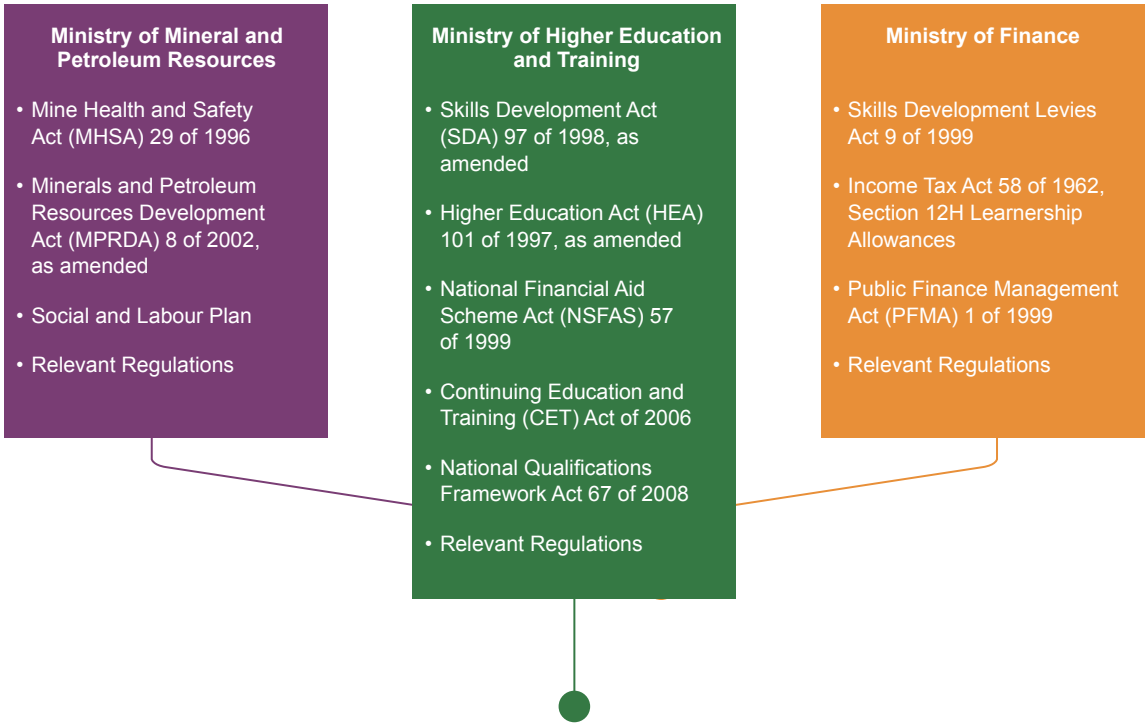
Facilitate access to occupationally directed learning programmes for the unemployed.

Support training initiatives in mining communities.

Ensure the delivery of quality learning programmes in the mining and minerals sector.

1.4 LEGISLATIVE AND OTHER MANDATES

The MQA is classified as a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999). It is a Sector Education and Training Authority (SETA) that facilitates skills development under the Department of Higher Education and Training (DHET) and supports mine health and safety in the mining and minerals sector. There are various pieces of legislation that govern the operations of the MQA. These are:



In addition to the legislation listed above, various national policy documents guide the development of skills in the sector, namely the National Skills Development Plan (NSDP) 2020–2030, the New Growth Path, the National Skills Accord, the Decade of the Artisan, the Medium Term Development Plan 2024-2029, 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, Section 55 of the PFMA, Chapter 28 of the National Treasury Regulations (28.2) and all the MQA policies and procedures.

1.5 STRATEGIC OVERVIEW BY THE ACCOUNTING AUTHORITY CHAIRPERSON



Dr Nomusa Zethu Qunta
Chairperson of the MQA Accounting Authority

On behalf of the Governing Accounting Authority of the Mining Qualifications Authority (MQA), it is my honour and privilege to present this Annual Report for the period from 1 April 2025 to 31 March 2026.

I wish to extend sincere greetings and appreciation to the Honourable Minister of Higher Education and Training, Buti Manamela, for his continued leadership and commitment to skills development and transformation within our country. I also acknowledge the Honourable Minister Gwede Mantashe for his steadfast support of the mining and minerals sector and the ongoing partnership between the Department of Mineral and Petroleum Resources and the MQA.

Leadership Transition and Governance Continuity

The 2025–2026 financial year represented a period of transition, continuity and sustained performance for the MQA. I officially assumed the role of Chairperson of the MQA Governing Accounting Authority on 1 January 2026. I would therefore like to acknowledge and extend my sincere appreciation to the former Interim Chairperson, Mr Ogodiseng Senye, who served with diligence and commitment from 1 October 2025 to 31 December 2025.

I commend both leaders, together with the Governing Accounting Authority, for holding the fort during the transition period and for ensuring stability, continuity and sound governance within the organisation. Their collective stewardship ensured that the MQA remained firmly focused on the execution of its mandate and continued to deliver value to the mining and minerals sector.

Mandate of the MQA

The MQA remains entrusted with the responsibility of facilitating skills development in the mining and minerals sector in terms of the Skills Development Act, 1998, as amended. In carrying out this mandate, the organisation also supports the objectives of the Mining Charter in terms of the Mineral and Petroleum Resources Development Act, 2002, as well as the Mine Health and Safety Act, 1996.

Governance and Organisational Performance

During the year under review, the MQA continued to uphold the highest standards for governance, accountability and operational excellence. I am pleased to report that the organisation maintained its clean audit opinion from the Auditor-General of South Africa, reflecting the continued commitment to sound financial management, ethical leadership and effective internal controls. The MQA also achieved 100% performance against its planned targets for the financial year under review, demonstrating the organisation's unwavering commitment to service delivery and organisational performance.

The Governing Accounting Authority continued to exercise effective oversight in accordance with the Public Finance Management Act (PFMA) and remains satisfied that appropriate governance structures, risk management systems and internal controls are in place and functioning effectively. The Accounting Authority committees continued to provide strategic and operational support to ensure that the MQA remains responsive to the evolving needs of the sector.

The five committees include the following:

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

Skills Development and Sector Transformation

As the mining and minerals sector continues to navigate economic pressures, technological advancements and evolving workplace demands, the MQA remains committed to ensuring that skills development interventions are aligned with the future needs of the sector. The organisation

continues to play a critical role in supporting artisan development, occupationally directed programmes, workplace learning, bursaries, research initiatives and community development interventions aimed at improving livelihoods and contributing to economic growth.

The organisation also continues to support transformation and inclusive growth through initiatives that target youth, women, people with disabilities and communities surrounding mining operations and labour-sending areas. Through strategic partnerships with employers, educational institutions and other stakeholders, the MQA continues to expand access to learning opportunities and portable skills programmes that improve employability and sustainable livelihoods.

Occupational Health and Safety

The MQA further recognises that mine health and safety remain paramount. Continued collaboration with industry stakeholders and the Department of Mineral and Petroleum Resources is essential to strengthening safety awareness and improving occupational health and safety outcomes across the sector. The MQA remains committed to supporting initiatives that contribute towards the goal of "Zero Harm" within mining operations.

Research and Innovation

Research and innovation remain central to the MQA's long-term strategic outlook. The organisation continues to strengthen its research agenda to support evidence-based planning and informed decision-making that responds to changing sectoral trends, technological developments and future skills demands.

Strategic Engagements and Industry Platforms

During the period under review, the MQA continued to strengthen its visibility and stakeholder engagement within the sector through participation in strategic industry platforms and engagements. It was a privilege for me to attend the Mining Indaba 2026 held in Cape Town from 9 to 12 February 2026, which brought together leaders from government, industry, labour, investors and organised business to engage on the future of mining, investment, sustainability and skills development across the African continent. The engagements reaffirmed the importance of collaboration and innovation in ensuring that the mining and minerals sector remains globally competitive and responsive to changing economic and technological demands.

I was also honoured to participate in the Mining Skills Lekgotla Conference 2026 held on 26–27 February 2026, which proved to be a resounding success. The conference brought together key stakeholders and thought leaders to deliberate on critical issues affecting skills development within the mining and minerals sector. The quality of engagement, exchange of ideas and strategic discussions demonstrated the MQA's commitment to setting superior standards within the sector and reinforced the organisation's position as a leading authority in advancing skills development, transformation and innovation. The outcomes of the Lekgotla further set the tone for strengthened collaboration and enhanced sector responsiveness in addressing current and future skills needs.

Appreciation

I would like to express my appreciation to the members of the Governing Accounting Authority, management, organised labour, employers, organised business and all stakeholders for their continued support and commitment to the mandate of the MQA. Your collaboration and partnership continue to strengthen the organisation and contribute meaningfully towards the advancement of skills development within the mining and minerals sector.

I further extend my sincere gratitude to the Chief Executive Officer, Dr Thabo Mashongoane, management, and all employees of the MQA for their dedication, professionalism and continued hard work during the year under review. The organisation's achievements are a direct reflection of your commitment to excellence and service delivery.

Conclusion

As we move forward, the MQA remains resolute in its commitment to developing transformative and future-focused skills that will contribute towards a sustainable, inclusive and competitive mining and minerals sector. Through collaboration, innovation and continued stakeholder support, the MQA will continue "Mining Future Skills" for the benefit of the sector and the country as a whole.



Dr Nomusa Zethu Qunta
Chairperson of the MQA Accounting Authority
31 July 2026

1.6 OPERATIONAL OVERVIEW BY THE CHIEF EXECUTIVE OFFICER



Dr Thabo Mashongoane
Chief Executive Officer

It is my privilege to present the Chief Executive Officer's Report of the Mining Qualifications Authority (MQA) for the 2025–2026 financial year, covering the period 1 April 2025 to 31 March 2026.

During the year under review, the MQA continued to play a significant role in advancing skills development within the mining and minerals sector through the implementation of impactful learning programmes and strategic interventions aimed at supporting transformation, economic growth, and workforce development. Despite a challenging economic environment and the evolving demands of the sector, the MQA remained steadfast in executing its legislative mandate and achieving its strategic objectives.

Overall Audit Outcome and Performance

The organisation maintained its commitment to good governance, accountability, and operational excellence, resulting in the MQA once again receiving a clean audit outcome from the Auditor-General of South Africa. This achievement reflects continued discipline, sound financial management, and robust governance systems embedded throughout the organisation.

The MQA also achieved 100% of its planned performance targets during the year under review, demonstrating the institution's sustained commitment to service delivery and organisational excellence.

KEY PERFORMANCE ACHIEVEMENTS

Overall Achievement of Performance Indicators

The MQA demonstrated continued success in delivering on its mandate through the achievement of performance targets outlined in the Service Level Agreement (SLA) with the Department of Higher Education and Training (DHET). The organisation achieved 61 of its 61 performance indicators, representing an achievement rate of 100%.

Financial Performance

The MQA's revenue for the period under review increased from R1,709 billion in 2024–2025 to R1,769 billion in 2025–2026, despite labour losses within the mining sector resulting from employee retrenchments, which negatively affected employer levy contributions.

Through the application of sound financial management practices, the MQA remained within the prescribed 10.5% statutory allocation for administration costs. A total of R198 million was spent on administration against an approved budget of R219 million, resulting in a saving of R21 million.

The MQA Governing Accounting Authority approved a budget of R1,457 billion to support skills-development initiatives within the mining and minerals sector. Total discretionary grant expenditure amounted to R1,382 billion. In line with the MQA Funding Policy, these grants were allocated to address priority skills gaps identified in the Sector Skills Plan (SSP).

Funded interventions included learning programmes, occupational health and safety initiatives, work experience opportunities, internships, artisan development programmes, bursaries, portable skills programmes for mine communities, and youth-focused initiatives aimed at addressing unemployment.

Surplus Funds

The MQA, in line with the PFMA requirements, applied to retain surplus funds for the previous financial year which were approved and utilised in the year under review.

In the current year, the National Treasury updated the calculation methodology for determining surplus funds, taking into account contractual obligations.

The calculation is disclosed in note 22 of the Annual Financial Statements (page 141) and has resulted in a deficit for the year rather than a surplus.

Supply Chain Management

The MQA has maintained an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective in line with section 51 of the PFMA.

This is evident in the clean audit obtained by the MQA this year. Reference is made to Section 6 in this report.

Unsolicited Bid Proposals

There were no unsolicited bid proposals funded by the MQA in the 2025-2026 financial year.

Occupational Health and Safety Skills Programme

The Occupational Health and Safety (OHS) Skills Programme, together with other MQA-approved learning programmes, continued to receive strong support from industry stakeholders in advancing the development of skilled and qualified OHS representatives within the sector.

The MQA exceeded its target for learner enrolment in OHS and related programmes, with 2 315 learners enrolled against a target of 2 000.

Occupational health and safety remain strategic priorities for both the MQA and the mining and minerals sector. Through ongoing collaboration with industry stakeholders, organised labour, and government partners, the MQA remains committed to strengthening health and safety awareness, improving workplace practices, and contributing towards the sector-wide goal of Zero Harm.

Stakeholder Relationship Building

The organisation continued to strengthen relationships with stakeholders across government, organised labour, business, training institutions, and communities to ensure that skills interventions remain responsive to sector needs. The MQA also remained committed to enhancing stakeholder experience and service delivery through improved systems, engagement platforms, and operational efficiencies.

The MQA participated in and hosted several strategic engagements and flagship events that reinforced its leadership role in advancing skills development within the mining and minerals sector.

A key highlight was the MQA's participation in Mining Indaba 2026, held in Cape Town from 9 to 12 February 2026. The event provided an important platform for engagement with industry leaders, policymakers, investors, and stakeholders from across the continent on issues relating to mining sustainability, investment, innovation, and future skills development.

The MQA hosted its Annual General Meeting on 31 October 2025 at the Emperors Palace Convention Centre in Kempton Park, providing an opportunity to showcase the organisation's achievements and engage with key stakeholders.

The organisation also successfully hosted the 2026 Mining Skills Lekgotla Conference, Good Practice Recognition Award and Career Guidance on 26–27 February 2026, commemorating the MQA's 30-year milestone. The conference brought together sector leaders, government representatives, organised labour, experts, and training providers to deliberate on current and emerging skills priorities within the mining and minerals sector.

Another notable highlight was the successful hosting of the International Literacy Day celebration, held at the Mponeng Cricket Club Stadium in Carletonville on 20 September 2025, reaffirming the MQA's commitment to literacy and lifelong learning within the sector.

In addition, National Stakeholder Engagement Forums were held across all provinces during November 2025, providing valuable opportunities for stakeholder consultation and engagement.

The MQA also participated successfully in the WorldSkills South Africa National Competition, Conference and Career Festival 2026, held from 8–12 March 2026 at the Inkosi Albert Luthuli International Convention Centre in Durban. The event showcased the achievements of MQA-supported learners and resulted in the organisation receiving the award for the Best Career Exhibition Stand.

Research in the Sector

Research remains a critical component in informing learning interventions and strengthening the skills development value chain within the mining and minerals sector.

The MQA identifies sector skills needs through information gathered from stakeholder companies operating within the sector. This information is collected through core monitoring mechanisms, including Workplace Skills Plans (WSPs), Annual Training Reports (ATRs), and the Sector Skills Plan (SSP), supplemented by targeted research studies that respond directly to emerging trends and evolving

sector needs. Together, these research outputs provide valuable insights into workforce trends and sector requirements.

During the year under review, the MQA completed six (6) research outputs against a target of ten. The research studies were conducted in partnership with the University of Pretoria and Witwatersrand.

Workplace Skills Plans and Annual Training Reports

The MQA recorded a steady increase in approved WSPs and ATRs submitted by small, medium, and large enterprises seeking access to mandatory grants.

A cumulative total of 1 010 Workplace Skills Plans and Annual Training Reports were approved against a target of 750.

Capacity-building workshops were conducted in Limpopo, KwaZulu-Natal, Eastern Cape, and Free State provinces. These workshops utilised a train-the-trainer approach to ensure sustainability in supporting learners to make informed career choices. A total of 13 workshops were conducted, attended by 196 career development practitioners.

Youth and Learner Support

Youth and graduate unemployment remain significant challenges that continue to constrain South Africa's economic growth and development objectives.

To support transformative skills development within the mining and minerals sector, stakeholders are encouraged to create opportunities that promote youth-centred learning and facilitate access to employment opportunities for qualified young people.

The MQA contributes towards this objective through the MQA Bursary Scheme, internship programmes, work experience initiatives, and the Youth Development Programme.

A total of 504 unemployed learners received financial support through the MQA Bursary Scheme against a target of 430.

Furthermore, 660 learners completed their studies against a target of 600, while 1 922 continuing learners received financial support against a target of 1 500.

The MQA also provides financial support to employed individuals pursuing qualifications that contribute to sector growth and sustainability.

During the financial year, 79 employed learners received bursaries against a target of 70, while 96 continuing employed learners received financial support against a target of 65. In addition, 30 employed learners completed their studies against a target of 25.

The MQA's internship programme supported 574 graduates through workplace placements against a target of 500.

Work-Integrated Learning (WIL) continued to demonstrate the value of integrating academic learning with workplace experience. The MQA supported 401 university students requiring WIL placements against a target of 300, while 805 students successfully completed their WIL placements against a target of 350.

During the reporting period, 1 519 unemployed youth entered portable skills programmes against a target of 1 500, while 1 621 youth successfully completed these programmes against a target of 500.

The Youth Development Programme continued to support unemployed youth residing in mining communities and labour-sending areas by equipping them with skills that enhance employability and economic participation.

Career Guidance

The MQA recognises the importance of career guidance in assisting learners to make informed career decisions.

During the year under review, the organisation participated in 59 career guidance activities in urban areas against a target of 45, and 81 activities in rural areas against a target of 60.

The MQA also conducted 13 workshops against a target of 10 to provide career development services and strengthen the capacity of career development practitioners.

TVET Support and Partnerships

Supporting Technical and Vocational Education and Training (TVET) colleges remains essential in addressing unemployment, skills shortages, and broader socio-economic challenges.

During the reporting period, 168 TVET students requiring workplace exposure were placed in workplaces against a target of 150, while 600 TVET students successfully completed their WIL placements against a target of 150.

In addition, 26 TVET graduates entered internship programmes against a target of 25.

A total of 20 TVET lecturers received industry exposure opportunities against a target of 15, while 51 lecturers received bursaries against a target of 40.

The MQA remains committed to strengthening artisan development, workplace learning opportunities, and curriculum relevance through strategic partnerships with TVET colleges and higher education institutions.

Mine Community Development and Small-Scale Mining Support

The MQA recognises the importance of collaborative partnerships in delivering learning interventions that uplift mining communities and labour-sending areas.

During the financial year, 1 065 beneficiaries from mining communities entered portable skills programmes against a target of 900, while 1 377 beneficiaries completed these programmes against a target of 400.

Training interventions included bricklaying, satellite installation, professional driving, systems support, tractor-loader-backhoe operations, and horticulture. Post-training support included employment opportunities, start-up kits for individuals and cooperatives, and referrals to funding institutions for continued support.

A total of 100 beneficiaries, including unemployed individuals, retrenched workers, prospective retrenchees, and ex-mineworkers, successfully completed accredited small-scale mining programmes.

Learnerships, Artisan and Non-Artisan Development

Demand for discretionary grant-funded skills development programmes remained strong throughout the year.

A total of 485 employed learners enrolled in learnership programmes against a target of 400, while 593 learners successfully completed their learnerships against a target of 300.

Employers continued to support transformation by providing opportunities for unemployed learners from mining communities. Consequently, 911 unemployed learners enrolled in learnerships against a target of 800, while 1 082 learners completed their learnerships against a target of 900.

The MQA continued to support the DHET's Decade of the Artisan initiative. During the year under review, 1 198 learners entered artisan development programmes against a target of 1 000, while 1 427 learners successfully completed artisan training against a target of 800.

The Artisan Recognition of Prior Learning (ARPL) Programme enabled 34 learners to achieve artisan recognition against a target of 30.

In addition, 221 learners completed the Artisan Assistant Programme against a target of 200.

Support for Literacy in the Sector

The MQA continued to support literacy programmes that promote lifelong learning among previously disadvantaged adult learners. A total of 888 learners completed Adult Education and Training (AET), National Accredited Technical Education Diploma (NATED), and General Education and Training Certificate (GETC) programmes against a target of 750.

SETA Partnerships and Rural Development

Partnerships remain critical to the MQA's success as a Sector Education and Training Authority (SETA), enabling collaboration, innovation, and the effective use of resources and expertise.

One notable example was the Green Hydrogen Centres of Specialisation Project, implemented in partnership with CHIETA and TETA.

The organisation continues to strengthen collaboration with SETAs, government departments, employers, organised labour, educational institutions, and community stakeholders to maximise the impact of skills development interventions.

Social Responsibility

During the year under review, the MQA contributed to social responsibility initiatives through donations amounting to R225,000. The donations supported identified community and social initiatives, in line with the MQA's commitment to improving community well-being and supporting initiatives with a positive social impact. As part of its Mandela Day initiative, the MQA collaborated with the Health and Welfare SETA (HWSETA) to support Olievenhoutbosch Secondary School by donating five desktop computers, five monitors and other usable old furniture.

The donation was processed through the Disposal Committee, allowing assets that were no longer required by the MQA but remained in good working condition to be put to use in support of the school and its learners.

Green Hydrogen Economy and Just Energy Transition

The transition towards a greener and more sustainable economy continues to influence future skills requirements within the mining and minerals sector.

In response, the MQA remains strategically positioned to support skills development initiatives aligned with the emerging green hydrogen economy and the Just Energy Transition.

The organisation recognises that this transition presents both opportunities and challenges, particularly in relation to workforce transformation, reskilling, and future occupational demands. Through research, stakeholder engagement, and strategic partnerships, the MQA continues to support initiatives that prepare workers, communities, and youth for participation in emerging industries associated with renewable energy, green hydrogen technologies, and sustainable mining practices.

The MQA further acknowledges the importance of ensuring that the Just Energy Transition remains inclusive, people-centred, and responsive to the socio-economic realities facing mining communities and labour-sending areas.

Challenges

The mining and minerals sector continues to face challenges, including economic uncertainty, technological disruption, unemployment, and retrenchments within certain sub-sectors.

In response, the MQA will continue to prioritise future-focused skills development programmes, strengthen stakeholder partnerships, and expand opportunities for unemployed youth and affected communities. Increased emphasis will be placed on portable skills, entrepreneurship, and workplace-readiness initiatives to support sustainable economic development.

Appreciation

I wish to express my sincere appreciation to the Honourable Minister of Higher Education and Training, Mr Buti Manamela, and the Honourable Minister of Mineral and Petroleum Resources, Mr Gwede Mantashe, for their continued leadership and support for skills development within the mining and minerals sector.

My appreciation is also extended to the Chairperson, Dr Nomusa Qunta, the entire Governing Accounting Authority, the interim Chairperson, Mr Ogodiseng Senye and the Accounting Authority supporting committees for their strategic guidance, oversight, and unwavering support.

I further thank organised labour, employers, training providers, educational institutions, stakeholders, and partners who continue to support the MQA in advancing the sector's skills development agenda.

Lastly, I extend my heartfelt gratitude to the management and employees of the MQA for their professionalism, resilience, and commitment to excellence. Their dedication continues to position the MQA as a leading institution in driving transformation and sustainable skills development within the mining and minerals sector.

Conclusion

The MQA remains committed to building a skilled, transformed, and future-ready workforce that will contribute meaningfully to the sustainability, growth, and competitiveness of South Africa's mining and minerals sector.



Dr Thabo Mashongoane
Chief Executive Officer
31 July 2026

1.7 EXECUTIVE STRUCTURE



Thabo Mashongoane
Chief Executive Officer
1 March 2023 to 31 March 2026



Xolisa Njikelana
Chief Operations Officer
1 September 2024 to 31 March 2026



Carol Maila
Executive Manager
Stakeholder Relations
1 November 2024 to 31 March 2026



Jacqweline Modiba
Chief Risk Monitoring and Evaluation Officer (Acting)
1 January 2026 to 31 March 2026



Elaine Brass
Chief Financial Officer
1 June 2025 to 31 March 2026



Mashudu Mavhungu
Executive Manager
Corporate Services
1 **May 2021 to 31 March 2026**



Kopano Sebudubudu
Chief Risk Monitoring and Evaluation Officer (Acting)
1 July 2025 to 31 December 2025



Kopano Sebudubudu
Chief Financial Officer (Acting)
25 September 2024 to 31 May 2025



Sonwabile Xaba
Chief Risk Monitoring and Evaluation Officer (Acting)
8 July 2024 to 30 June 2025



Bethuel Nemagovhani
Chief Risk Monitoring and Evaluation Officer
1 August 2017 to 11 September 2025

LIST OF FUNCTIONS

OPERATIONS
- Strategic Planning
- Skills Development and Research

LEARNING PROGRAMMES
- Strategic Projects
- Operations Projects

STAKEHOLDER RELATIONS
- Customer Service and Communication

REGIONAL SUPPORT
- Eastern Cape
- Free State
- Gauteng
- Limpopo
- KwaZulu-Natal
- Mpumalanga
- Northern Cape
- Northwest
- Western Cape

CHIEF RISK MONITORING, EVALUATION & QUALITY ASSURANCE
- Monitoring and Evaluation
- Risk and Fraud Administration
- Quality Assurance

FINANCE
- Finance Management
- Supply Chain Management

CORPORATE SERVICES
- Corporate Governance
- Human Resources
- Legal and Governance
- Information Technology
- Facilities and Office Management

SECTION 2

CORPORATE GOVERNANCE INFORMATION





2. CORPORATE GOVERNANCE

Corporate governance guides the processes and systems essential to ensuring organisational efficiency, effectiveness, accountability, and compliance with the applicable legislative and regulatory framework. In line with these principles, the MQA continuously reviews its policies, processes, procedures, and practices to ensure consistent compliance with relevant legal and governance requirements. The governance framework, supported by organisational strategies, policies, and procedures, enables the MQA to utilise its resources efficiently and effectively in pursuit of its mandate.

In terms of Regulation 30 of the Treasury Regulations, the MQA is required to conclude an annual Service Level Agreement (SLA) with the DHET. The agreement outlines the key performance indicators, targets, and expected outcomes, aligned with the Protocol on Corporate Governance in the Public Sector and stakeholder expectations.

The Accounting Authority provides strategic direction and leadership by determining the MQA's goals and objectives and approving key policies, financial objectives, plans, and strategies. The MQA Constitution, Authority Charter, and Terms of Reference for all standing committees are aligned with the principles embodied in the King Code on Corporate Governance. The standing committees of the Accounting Authority play a critical oversight role in creating an enabling environment for achieving organisational objectives.

The Corporate Services Department provides strategic and operational support to the Accounting Authority, MQA Management, employees, and stakeholders in executing the organisation's legislative mandate to facilitate skills development in accordance with the Skills Development Act.

The MQA's execution of its mandate reflects a sound level of maturity in its corporate governance framework. It therefore remains committed to upholding values grounded in the principles of good corporate governance.

2.1 COMPANY SECRETARY

The Secretariat provides support to the Accounting Authority and its Committees to ensure that they function effectively and in accordance with their approved terms of reference and applicable governance requirements.

The Secretariat is responsible for coordinating meetings, preparing and circulating meeting packs, recording minutes and resolutions, and maintaining the official records of the Accounting Authority and its Committees. It also assists with the submission and follow-up of governance and statutory matters.

During the reporting period, the Secretariat continued to support the effective functioning of the Accounting Authority and its Committees and maintained the required governance records and documentation.

2.2 GOVERNANCE STRUCTURES

In the execution of its oversight function, the Accounting Authority is assisted by five standing Committees that provide strategic support.

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

2.3 STRATEGIC PLANNING SESSION

Strategic planning is a critical component of organisational governance, as it aims to ensure effective delivery against strategic objectives. In this regard, the MQA held its Strategic Planning Session on 7 to 8 August 2025 to review the organisation's strategic direction, assess internal and external challenges, provide strategic guidance, and develop the Annual Performance Plan.

The Strategic Planning Session also enabled the MQA to deliberate on various policy initiatives to strengthen governance, streamline operational processes, enhance organisational efficiency and effectiveness, and improve service delivery. The session further provided a platform to evaluate organisational priorities, align strategic objectives with legislative and sectoral imperatives, and reinforce accountability measures to support the effective execution of the MQA's mandate.

2.4 EXECUTIVE COMMITTEE

The Executive Committee (EXCO), established in terms of the MQA Constitution and subject to the approval of the Minister, is responsible for overseeing the management of the MQA under the direction of the Accounting Authority. The Committee plays a strategic oversight role in ensuring the effective implementation of organisational policies, the proper management of financial matters, and the coordination of organisational structures and activities in support of the MQA's mandate.

In fulfilling its responsibilities, the EXCO oversees staff employment matters, monitors national policy developments and sector priorities, coordinates the functioning of committees and governance structures, and monitors the MQA's relations and interactions with other SETAs and relevant stakeholders on matters relating to skills development. The Committee further considers organisational budgets, business plans, strategic and operational reports, and other matters delegated to it by the Accounting Authority.

The EXCO meets monthly to deliberate on strategic, operational, governance, and policy matters prior to submission to the relevant Accounting Authority Committees and the Accounting Authority for consideration and approval, where applicable.

2.5 THE ACCOUNTING AUTHORITY

The final responsibility for the organisation's governance and future sustainability rests with the Accounting Authority, which provides strategic leadership, guidance, and direction to the MQA. Sections 50 and 51 of the Public Finance Management Act (PFMA), Act 1 of 1999, as amended, require members of the Accounting Authority to execute their fiduciary responsibilities with the highest standards of integrity, accountability, and good governance.

Following the expiry of the term of the previous Accounting Authority, and in order to ensure continuity in governance and oversight, the Minister of Higher Education and Training, in terms of Section 49 of the PFMA, appointed Dr Thabo Mashongoane, Chief Executive Officer of the MQA, to assume the duties of the Accounting Authority with effect from 22 May 2025 for a period of three months, or until the appointment of the new Accounting Authority, whichever occurred first. This interim arrangement was approved by the National Treasury to ensure that the MQA maintained an oversight structure while the process of appointing a new Accounting Authority was being finalised.

During this period, Dr Mashongoane was entrusted with all the powers and responsibilities of the Accounting Authority and was required to ensure continuity in the organisation's governance, financial oversight, operational management, and decision-making processes.

Subsequently, the Minister of Higher Education and Training approved the appointment of new Accounting Authority members with effect from 26 September 2025 until 31 March 2030. The appointments were made in accordance with the Skills Development Act, 1998, as amended, to strengthen governance, accountability, and strategic oversight within the MQA.

2.6 ACCOUNTING AUTHORITY'S RESPONSIBILITIES

The duties of the Accounting Authority include the following:

- Governing and managing the SETA in accordance with the Public Finance Management Act (PFMA), the Skills Development Act, and all other applicable legislation.
- Ensuring that the SETA achieves its objectives and performs its legislated functions.
- Providing effective leadership to ensure the implementation of the National Skills Development Strategy (NSDS) and the Performance Agreement concluded with the Minister.
- Providing strategic direction to the SETA.
- Liaising and engaging with stakeholders on matters relating to the SETA and skills development.
- Ensuring compliance with all relevant statutory requirements and the provisions of the SETA Constitution.
- Managing institutional risk and overseeing governance processes.
- Monitoring the performance of the SETA against its strategic and operational objectives.
- Ensuring that members of the Accounting Authority and its committees comply with the prescribed Code of Conduct.

2.7 ACCOUNTING AUTHORITY CHARTER

The Accounting Authority Charter provides the governance framework that regulates the roles, responsibilities, powers, and functioning of the Accounting Authority in line with applicable legislation and governance principles. The Charter is approved by the Accounting Authority, which is responsible for ensuring compliance with its provisions in the execution of its oversight and governance responsibilities.

During the reporting period, the Accounting Authority continued to implement the provisions of the Charter as part of its governance and oversight responsibilities. Progress in complying with the Charter included adherence to the prescribed governance arrangements, roles and responsibilities, and the execution of oversight functions in accordance with the approved Charter.

2.8 REMUNERATION OF THE ACCOUNTING AUTHORITY MEMBERS

The remuneration of Accounting Authority members is determined in accordance with the rates approved by the National Treasury. Members representing government departments and public entities are not entitled to remuneration, as they are employees of the State.

All members of the Accounting Authority, including those representing government departments and public entities, are, however, reimbursed for travel expenses incurred in the execution of their official duties. The reimbursement rate per kilometre is determined in accordance with the guidelines prescribed by the South African Revenue Service (SARS).

All members of the Accounting Authority and its Committees are remunerated in accordance with the applicable National Treasury Directives, Guidelines and Circulars on the Remuneration of Members of Boards and Accounting Authorities of Public Entities and related directives issued to accounting authorities of public entities.

Members who are representatives of government departments and are remunerated by the State in their official capacity are not remunerated by the MQA for attending meetings, unless otherwise provided for in the applicable prescripts. However, reasonable and lawfully incurred travel and other related expenses arising from the performance of authorised MQA duties may be reimbursed in accordance with the applicable MQA policies, National Treasury directives and approved rates.

The remuneration paid to each AA member is detailed in notes 26.4 and 26.7 to the Annual Financial Statements.

2.8.1. Accounting Authority Member Remuneration

Name	Remuneration	Other Allowance	Other Re-imbursements (Travel Costs)	Total
Zethu Qunta	R234 356.00	R0	R0	R234 356.00
Olehile Kgware	R96 689.30	R0	R7 841.68	R104 530.98
Viwe James	R126 708.71	R0	R1 103.94	R127 812.65
Ntshebele Mankge	R53 352.00	R0	R6 045.20	R59 397.20
Nico van Rooyen	R53 352.00	R0	R1 058.62	R54 410.62
Johan Boning	R40 014.62	R0	R0	R40 014.62
Mabo Malaza	R298 523.96	R0	R0	R298 523.96
Oupa Nkagisang	R104 133.00	R0	R0	R104 133.00
Pebetse Mabaso	R53 352.00	R0	R1 833.56	R55 185.56
Ntombikayise Xengana	R130 788.21	R0	R1 233.79	R132 022.00
Ogodiseng Senye	R0	R0	R0	R0
Tshepo Tlhapane	R176 728.50	R0	R0	R176 728.50

2.8.2. Audit Committee Remuneration

Name	Remuneration	Other allowance	Other re-imbursements (Travel Costs)	Total
Phuti Phukubje	R176 932.10	R0	R0	R176 932.10
Collen Weapond	R70 597.41	R0	R0	R70 597.41
Masesi Malope	R45 524.50	R0	R0	R45 524.50
George Higgins	R12 015.00	R0	R523.60	R12 538.60
Fulufelo Tshikhudo	R12 015.00	R0	R248.48	R12 263.48
Ashley Latchu	R12 015.00	R0	R0	R12 015.00

2.9 ACCOUNTING AUTHORITY AND STANDING COMMITTEE'S COMPOSITION, ROLES AND RESPONSIBILITIES

	Name	Function	Composition	Quorum	Chairperson	Secretary	Meeting
1.	MQA Accounting Authority	Accounting Authority policy, strategies and resource allocations	Chairperson of the Accounting Authority, five members representing employers, six members representing labour, one member representing the State, one member representing the community	Three stakeholder groups present	Independent External Accounting Authority	External service provider	Quarterly
2.	Executive Committee (EXCO)	Accounting Authority delegated tasks and management oversight	Chairperson of the Accounting Authority, two members from employers, two members from labour.	One stakeholder	Independent External Accounting Authority	External service provider	Monthly
3.	Audit and Risk Committee (ARC)	Advise on the effectiveness of financial management systems and controls in terms of the PFMA	Four external representatives, one representative per stakeholder group, one representative from internal auditors, one representative from external auditors.	Two stakeholders from different stakeholder groups and one external representative present	Independent External Member	External service provider	Quarterly
4.	Finance Committee (FinCom)	Advise on budget, financial control of projects and grants, levy grant disbursement	Two representatives per stakeholder group.	Two stakeholder groups present	Accounting Authority Member	External Service Provider	Quarterly
5.	Governance and Strategy Committee (GSC)	Assist with development of policies, principles, criteria and guidelines that are necessary for the governance function of the SETA; The promotion of good governance; Development of the Skills Development Strategy for the Sector.	Two representatives per stakeholder group	Two stakeholder groups present	Accounting Authority Member	External Service Provider	Quarterly
6.	Remunerations Committee (REMCO)	Oversees the implementation of a remuneration framework for the MQA	Two representatives per stakeholder group.	One stakeholder and one external representative present	Accounting Authority Member	External service provider	Quarterly

2.10 ACCOUNTING AUTHORITY STRUCTURE AND MEMBER COMPOSITION

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



Dr Nomusa Zethu Qunta
Chairperson

STATE	EMPLOYER REPRESENTATIVES	COMMUNITY REPRESENTATIVE	LABOUR REPRESENTATIVE
	 Mr Ogodiseng Senye	 Ms Tshepo Tlhapane	 Mr Johan du Toit Boning
	 Dr Oupa Nkagisang		 Mr Olehile Kgware
	 Ms Maboswaneng Malaza		 Mr Ntshebele Mankge
	 Ms Ntombikayise Xengana		 Mr Nico van Rooyen
	 Ms Pebetse Mabaso		 Mr Viwe James

Accounting Authority Member Vacancies
One (1) State
One (1) Employer Representative
One (1) Labour Representative

2.11 ACCOUNTING AUTHORITY AND VARIOUS STANDING COMMITTEE'S MEMBER ATTENDANCE

2.11.1 MEETING ATTENDANCE BY THE ACCOUNTING AUTHORITY

No.	Member	Organisation	Constituency	Attendance 2025-2026													
				30 September 2025	10 October 2025	16 October 2025	31 October 2025 - AGM	13 November 2025	25 November 2025	10 December 2025	11 December 2025	08 January 2026	26 January 2026	26 & 27 Feb 2026	17 March 2026	18 March 2026	TOTAL
1	***O Senye(Appointed Acting Chairperson effective 30 September 2025 to 18 December 2025)	Minerals Council South Africa	Employer	√	√	√	√	√	√	√	√	√	√	√	√	√	13
2	****Dr Z Qunta	ZBQ Consulting	Independent	Appointed as Chairperson effective 18 December 2025								√	√	√	√	√	5
3	*Dr O Nkagisang	Sibanye-Stillwater	Employer	√	√	√	√	√	√	√	√	√	√	√	√	√	13
4	*N Xengana	Sibanye-Stillwater	Employer	√	√	√	√	√	√	√	√	√	√	√	√	√	13
5	*M Malaza	Harmony	Employer	√	x	√	√	x	x	√	√	√	√	x	√	√	9
6	*P Mabaso	Tharisa Minerals	Employer	√	√	√	√	√	√	√	√	√	√	√	√	√	13
7	*O Kgware	NUM	Labour	√	√	√	√	√	√	√	√	√	√	√	√	√	13
8	*N van Rooyen	UASA	Labour	√	√	√	√	√	√	√	√	√	√	√	√	√	13
9	*J Boning	Solidarity	Labour	√	√	√	√	√	√	√	√	√	√	√	√	√	13
10	*N Mankge	AMCU	Labour	√	√	√	√	√	√	√	√	√	√	√	√	√	13
11	*V James	NUMSA	Labour	√	√	√	√	√	√	√	√	√	√	√	√	√	13
12	*T Tlhapane	SANCO	Community	√	√	√	√	√	√	√	√	√	√	√	√	√	13

***Former Interim Chairperson

****Chairperson

*Accounting Authority Member

2.11.2. MEETINGS ATTENDANCE BY THE VARIOUS STANDING COMMITTEE'S

Committee	No. of meetings held	No. of members	Name of members
Executive Committee	0	0 (EXCO was appointed in May 2026)	0
Audit and Risk Committee	6	8	Phuti Phukubje Collen Weapond Masesi Malope George Higgins Fulufhelo Tshikhudo Ashley Latchu Oupa Nkagisang Olehile Kgware
Finance Committee	0	0	0
Governance and Strategy Committee	2	5	Tshepo Tlhapane Viwe James Ntshebele Mankge Oupa Nkagisang Ntombikayise Xengana
Remunerations Committee	1	4	Mabo Malaza Pebetse Mabaso Viwe James Johan Boning

2.11.3. NUMBER OF MEETINGS HELD WITH THE PORTFOLIO COMMITTEE'S

No meetings were held with the Portfolio Committee during the reporting period. Consequently, the Portfolio Committee raised no issues requiring reporting or follow-up by the MQA during the period under review.

2.12. COMPLIANCE WITH LAWS AND REGULATIONS

The MQA has put measures in place to ensure compliance with applicable laws, regulations and other statutory requirements. A compliance calendar is maintained to track key legislative and regulatory requirements, responsible officials and submission due dates. Compliance is monitored throughout the year, with outstanding matters followed up with the relevant responsible areas. The MQA also keeps abreast of changes to legislation and regulations to ensure that its policies, procedures and operations remain aligned with the applicable requirements.

SECTION 3
PERFORMANCE INFORMATION





3. PERFORMANCE INFORMATION

3.1 STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2026

As the Accounting Authority 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 Performance Information audited by the Auditor General of South Africa;
- the Annual Report is complete, accurate and is free from any omissions;
- the Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the National Treasury.

I accept that as the Accounting Authority I am responsible for the preparation of 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 and human resources information.

The MQA Performance Information on pages 24 to 66 is approved by the MQA Accounting Authority for the year ended 31 March 2026, have been examined by the external auditors to express an independent opinion and their report is presented on pages 96 to 101 of this report.

The Annual Financial Statements on pages 108 to 165 have been prepared in accordance with the GRAP standards applicable to the public entity.

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 2026.

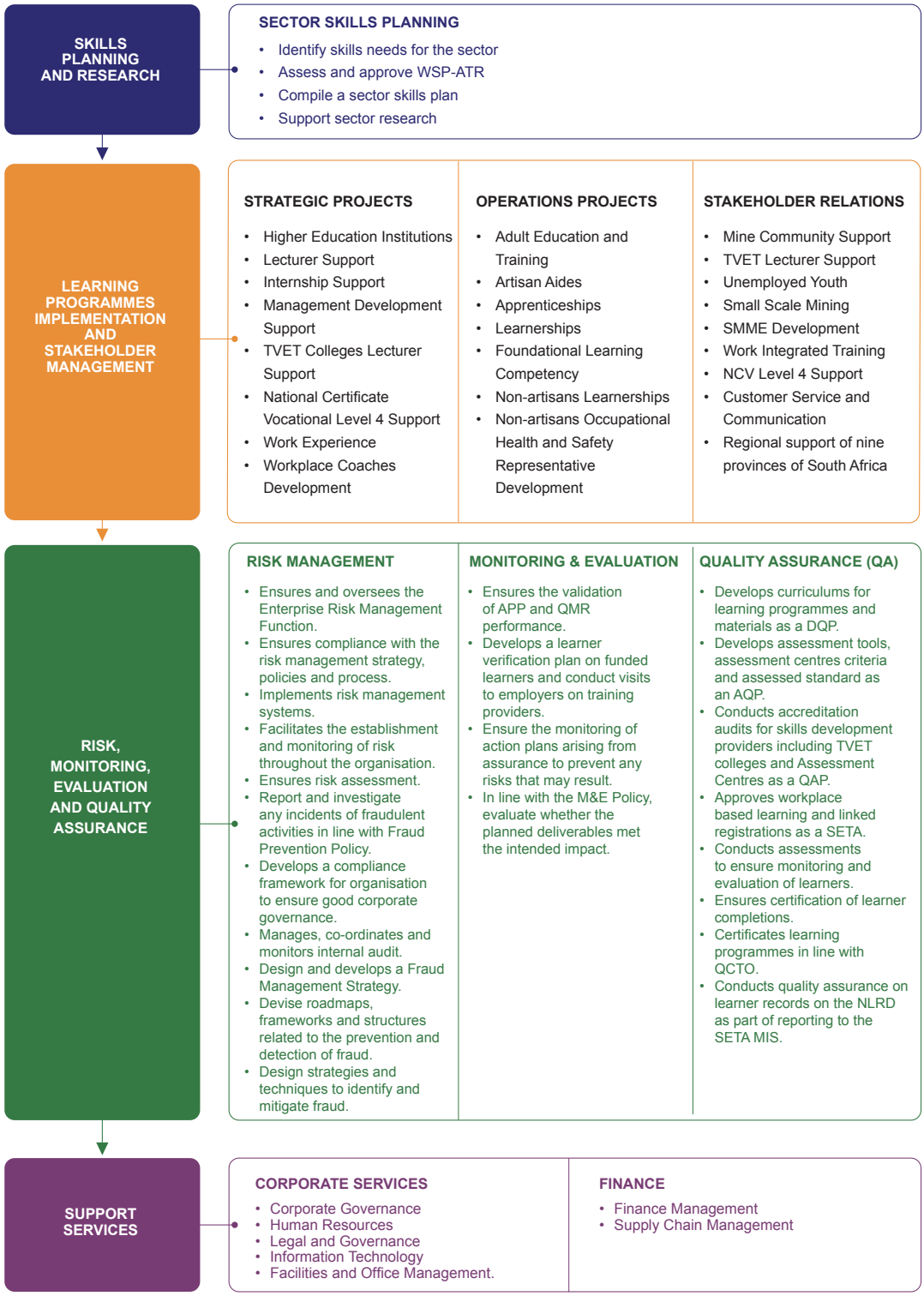


Dr Thabo Mashongoane
Chief Executive Officer
31 July 2026



Dr Nomusa Zethu Qunta
Chairperson
31 July 2026

3.2 MQA VALUE CHAIN



3.3 THE MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD

The MQA's support for the Mining Charter objectives and elements during the reporting period included but not limited to:

Beneficiation Support

The MQA continued to support the training of learners in the diamond processing and jewellery manufacturing disciplines and a total of 413 learners were funded and entered the learnership programme with 698 learners completing programmes in these disciplines in the year under review. A total of 284 learners with a disability entered the learnership programme and 324 learners with a disability completed the programme.

Mine Community Development Support

The MQA supported various mining communities and labour-sending areas 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, 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 R30 million was disbursed for mine community support. In addition, 100 community learners were supported with small scale mining skills. The MQA undertook 140 career guidance activities that were conducted in urban and rural mining communities to highlight career opportunities in the mining and minerals sector.

Historically Disadvantaged South Africans (HDSA) Support

The primary objective of the Mining Charter is to facilitate the transformation of the mining industry to ensure that historically disadvantaged South Africans, particularly black individuals have meaningful participation and ownership in mining operations.

Furthermore, it aims to promote employment equity in the mining sector, ensuring that historically disadvantaged groups have access to job opportunities and are represented at all levels of the industry, including management and executive positions. The MQA, in response to the Mining Charter objectives is implementing a Management Development Programme (MDP) and Candidacy Programme. A total of 199 HDSA learners were supported and completed MDP and 62 HDSA learners were support on candidacy programmes.

The MQA continued supporting 21 HDSA lecturers at universities and 51 HDSA TVET lecturers. The objective of this intervention is to transform the mining- and minerals-related departments within the institutions of higher learning through a provision of exposure, experience, and employment of HDSAs.

The MQA also funded 504 unemployed bursars and 79 employed bursars in disciplines related to the mining and minerals sector. These bursaries are targeted to benefit previously disadvantaged learners in rural communities. The MQA increased its Black Economic Empowerment (BEE) level 1–4 spend to 98.22% 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, work experience, internships, adult education, and training (AET), recognition of prior learning (RPL), occupational health and safety (OHS) and other Health and Safety Programmes. These initiatives support objectives and elements such as employment equity and human resources development.

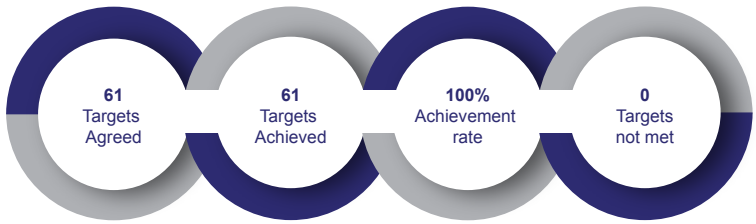
3.4 ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2025 TO 31 MARCH 2026

Performance against targets agreed with the Department of Higher Education and Training (DHET)
Disclaimer: Refer to the signed Annual Performance Report (APR) for Performance Information

SERVICE LEVEL AGREEMENT PERFORMANCE

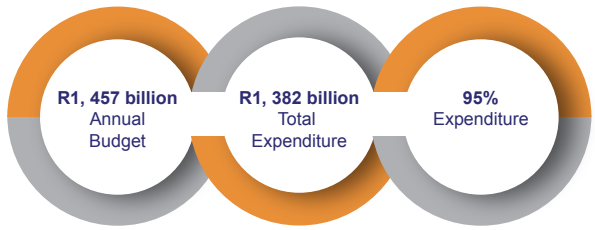


SUMMARY OF ANNUAL PERFORMANCE PLAN ACHIEVEMENT



TOTAL OVERALL ORGANISATION PERFORMANCE: 100%

SUMMARY OF DISCRETIONARY GRANTS BUDGET ACHIEVEMENT



ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2025 TO 31 MARCH 2026

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**	Promote 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:** **STRATEGIC OBJECTIVE 4:** **STRATEGIC OBJECTIVE 5**	Promote work-based skills development to support transformation in the mining and mineral sector Facilitate access to occupationally directed learning programmes for the unemployed Support training initiatives in mining communities	**NSDP OUTCOME 2, 3, 4, 6, 7, 8 and 10**	Linking education and the workplace Improving the level of skills in the South African workforce Increase access to occupationally directed programmes Skills development support for entrepreneurship and cooperative development Encourage and support worker-initiated training Support career development services 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 and 5**	Increase access to occupationally directed programmes Support the growth of the public college system

ANNUAL PERFORMANCE REPORT FOR THE PERIOD 01 APRIL 2025 TO 31 MARCH 2026

PERFORMANCE AGAINST TARGETS AGREED WITH THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING

61 OUT OF 61 INDICATORS HAVE MET/EXCEEDED TARGET = 100%

Programme 1: Administration

Ensure efficient and effective governance and administration.

Ref. No	Programme Performance Indicator	Actual Achieve-ment 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
1.1	Unqualified audit outcome	Unquali-fied audit outcome	Unqualified audit outcome	Unqualified audit outcome	N/A		No variance

Programme 2: Research:

Purpose: Conduct research including impact studies to measure programme, responsiveness, relevance and sustainability and to gather empirical-based insights to inform and guide sector skills planning and implementation of skills development interventions in the MMS.

2.1a.	Number of WSPs and ATRs approved for small firms per annum.	**446**	**320**	**456**	**136**		The WSP/ATR target was exceeded due to the implementation of targeted capacity-building workshops for Skills Development Facilitators, which enhanced reporting compliance and quality, as well as outreach campaigns directed at companies that were not submitting WSPs and ATRs.
2.1b.	Number of WSPs and ATRs approved for Medium firms per annum.	**201**	**180**	**225**	**45**		The WSP/ATR target was exceeded due to the implementation of targeted capacity-building workshops for Skills Development Facilitators, which enhanced reporting compliance and quality, as well as outreach campaigns directed at companies that were not submitting WSPs and ATRs.
2.1c.	Number of WSPs and ATRs approved for Large firms per annum.	**312**	**250**	**329**	**79**		The WSP/ATR target was exceeded due to the implementation of targeted capacity-building workshops for Skills Development Facilitators, which enhanced reporting compliance and quality, as well as outreach campaigns directed at companies that were not submitting WSPs and ATRs.
2.2.	Number of re-search outputs completed per annum.	**11**	**6**	**6**	**0**		No variance
2.3.	Number of Im-pact studies for the MQA proj-ects conducted per annum	**3**	**3**	**3**	**0**		No variance

Programme 3: Learning Programmes

Purpose:
1. Facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes.
2. Facilitate training for stakeholders, communities, and entrepreneurs.
3. Support industry collaboration with public college system.

Ref. No	Programme Performance Indicator	Actual Achievement 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
3.1a.	Number of learners that enter an artisan programme per annum.	**1607**	**1000**	**1198**	**198**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.1b.	Number of learners that complete an artisan programme per annum.	**1314**	**800**	**1427**	**627**		Target is exceeded as a result of sufficient pipeline of learners that entered the programme in previous financial years and are now due for completion.
3.1c.	Number of learners that complete an artisan aides programme per annum.	**297**	**200**	**221**	**21**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.1d.	Number of learners that complete artisan recognition of prior learning (ARPL) programme per annum.	**76**	**30**	**34**	**4**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.2a	Number of employees entering a learnership per annum.	**742**	**400**	**485**	**85**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.2b	Number of employees completing a learnership per annum.	**618**	**300**	**593**	**293**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.2c.	Number of unemployed learners entering a learnership per annum	**1946**	**800**	**911**	**111**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.2d.	Number of unemployed learners completing a learnership per annum	**1725**	**900**	**1082**	**182**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.3.	Number of workers completing Occupational Health and Safety Skill Programmes per annum	**3969**	**2000**	**2315**	**315**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.

Ref. No	Programme Performance Indicator	Actual Achieve-ment 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
3.4.	Number of learners that successfully complete AET, NATED Cours-es, GETC, and Elementary Digital Literacy programmes per annum.	**1927**	**750**	**888**	**138**		The target was exceeded due to high number of learn-ers reported in the system, supported by the availability of budget.
3.6a.	Number of grad-uates that enter an internship programme per annum.	**1150**	**500**	**574**	**74**		Target exceeded. This is due to the sector's interest in increasing learner uptake on this project.
3.6b.	Number of graduates that complete an Internship Programme per annum.	**634**	**600**	**614**	**14**		Target exceeded. This was due to learners who were terminated before they complete the 2 year internship and absorbed into employement.
3.7a.	Number of learners requiring work integrated learn-ing to complete their qualifica-tions placed in workplaces per annum.	**1166**	**300**	**401**	**101**		Target exceeded. This is due to the sector's interest in increasing learner uptake and budget availability on this project.
3.7b.	Number of learners completed their Work Integrated Learning per annum.	**623**	**350**	**805**	**455**		Target exceeded. This was due to Vacation Work learners registered and completed their training in the reporting period.
3.8a.	Number of HDSA MMS em-ployees that en-ter Management Development Programmes per annum.	**232**	**150**	**202**	**52**		Target exceeded. This is due to the sector's interest in increasing learner uptake on this project.
3.8b	Number of HDSA MMS employees that complete Management Development Programmes per annum	**183**	**80**	**199**	**119**		Target exceeded. This was due to more learners who started and completed their training in the same financial year.
3.9.	Number of HDSA HET lecturers that enter a lecturer development programme per annum	**11**	**10**	**21**	**11**		Target exceeded. This was due to highten interest by in-stitutions of higher learning on this project.

Ref. No	Programme Performance Indicator	Actual Achievement 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
3.10a.	Number of HDSA MMS learners that enter candidacy programme per annum	**130**	**50**	**62**	**12**		Target exceeded. This is due to the sector's interest in increasing learner uptake and budget availability on this project.
3.11.	Number of coaches supported per annum.	**151**	**100**	**149**	**49**		Target exceeded. This was due to increase demand from industry on this project.
3.12a.	Number of unemployed learners awarded a bursary per annum	**1309**	**430**	**504**	**74**		Target exceeded. This was due to high number of applications received who met the requirements to be allocated a bursary.
3.12b.	Number of unemployed learners completing a bursary programme per annum	**712**	**600**	**660**	**60**		Target exceeded. This was due to sufficient number of learners in the pipeline who were successful in their studies and completing their programmes in the reporting period.
3.12c.	Number of unemployed learners awarded bursaries (continuing) per annum	**1515**	**1500**	**1922**	**422**		Target exceeded. This was due to a large number of unemployed learners that were successful in their studies and met the requirements to be re-awarded a bursary for continuation.
3.13a.	Number of employed learners awarded a bursary per annum	**90**	**70**	**79**	**9**		Target exceeded. This was due to high number of applications received who met the requirements to be allocated a bursary and additional budget.
3.13b.	Number of employed learners completing a bursary programme per annum	**27**	**25**	**30**	**5**		Target exceeded. This was due to sufficient number of learners in the pipeline who were successful in their studies and completing their programmes in the reporting period.
3.13c.	Number of employed learners awarded bursaries (continuing) per annum	**73**	**65**	**96**	**31**		Target exceeded. This was due to a large number of employed learners that were successful in their studies and met the requirements to be re-awarded a bursary for continuation.
3.14a.	Number of mine community beneficiaries that enter a portable skills programme per annum.	**1500**	**900**	**1065**	**165**		There was a deferral from the 2024/25 allocation as some projects couldn't implement in 2024/25.

Ref. No	Programme Performance Indicator	Actual Achievement 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
3.14b.	Number of mine community beneficiaries that complete a portable skills programme per annum.	**860**	**400**	**1377**	**977**		Majority of the learners who were enrolled in 2024/25 have reached their competence status during this period.
3.15a.	Number of unemployed youth in mining communities and labour sending areas that enter a portable skills programme per annum.	**3317**	**1500**	**1519**	**19**		There was a deferral from the 2024/25 allocation as some projects couldn't implement in 2024/25.
3.15b.	Number of unemployed youth in mining communities and labour sending areas that complete a portable skills programme per annum.	**2816**	**500**	**1621**	**1121**		Due to a huge number of learners in the system completing in Q4.
3.16.	Number of beneficiaries trained in small-scale mining per annum.	**302**	**100**	**100**	**0**		No variance
3.17a.	Number of Career Development Events in urban areas on occupations in high demand per annum.	**56**	**45**	**59**	**14**		There were many invites from the office of the Minister that were attended.
3.17b.	Number of Career Development Events in rural areas on occupations in high demand per annum.	**60**	**60**	**81**	**21**		There were many invites from the office of the Minister that were attended.
3.17c.	Number of career development practitioners trained per annum.	**176**	**70**	**103**	**33**		Several schools that visited the career exhibitions requested the career development practitioners training more than expected, which resulted in more participants attending.
3.17d.	Number of capacity building workshops on career development services initiated per annum.	**29**	**10**	**13**	**3**		Several schools that attended the career exhibition requested the career development practitioners workshop more than what was anticipated, resuting in more participants.

Ref. No	Programme Performance Indicator	Actual Achieve-ment 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
3.18a.	TVET WIL - Entered	**975**	**150**	**168**	**18**		Due to the number of applications received, fair and equitable distribution of allocations amongst applicants and availabilty of budget that allowed a 10% buffer on allocations
3.18b.	TVET WIL - Completion	**405**	**150**	**600**	**450**		Due to sufficient pipeline of learners on the programme completing in the current financial year. Most learners were enrolled on the programme late in 2023/24 Financial year and that pushed the number of completions in to 2025/26 whereas the plan was to have half of them completing in 2024/25 and some in current financial year had they been enrolled as planned in 2023/24
3.19a.	TVET Lectures exposed	**17**	**15**	**20**	**5**		Due to the number of applications received, fair and equitable distribution of allocations amongst applicants and availabilty of budget that allowed a 10% buffer on allocations
3.19b.	TVET bursaries	**73**	**40**	**51**	**11**		Due to some lecturers' fees being very low; enabling the colleges to leverage on the opportunity to enroll more lecturers within the limits of the allocated funds.
3.19c.	CET Colleges lecturers	**45**	**15**	**18**	**3**		Due to the number of applications received, fair and equitable distribution of allocations amongst applicants and availabilty of budget that allowed a 10% buffer on allocations
3.20.	CET internships	**32**	**25**	**27**	**2**		Due to the number of applications received, fair and equitable distribution of allocations amongst applicants and availabilty of budget that allowed a 10% buffer on allocations
3.21.	TVET Internship	**138**	**25**	**26**	**1**		Due to the number of applications received, fair and equitable distribution of allocations amongst applicants and availabilty of budget that allowed a 10% buffer on allocations
3.22.	International Literacy Day event hosted per annum.	**1**	**1**	**1**	**0**		No variance

Ref. No	Programme Performance Indicator	Actual Achievement 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
3.23.	Number of Centres of Specialisation supported per annum.	**13**	**3**	**6**	**3**		The target was exceeded due to an increase in participation of the TVET Colleges and Mining Companies.
3.24.	Number of CET learners accessing AET programmes per annum.	**385**	**350**	**380**	**30**		Due to the number of applications received, fair and equitable distribution of allocations amongst applicants and availabilty of budget that allowed a 10% buffer on allocations.
3.26.	Number of people to be trained on entrepreneurial skills per annum	**60**	**60**	**71**	**11**		A deferral from the 2024/25 contributed to the overachievement of the target.
3.27.	Number of cooperatives funded for skills that enhance enterprise growth and development per annum.	**9**	**10**	**13**	**3**		A deferral from the 2024/25 contributed to the overachievement of the target.
3.28.	Number of small businesses funded for skills that enhance growth and development per annum.	**35**	**30**	**30**	**0**		No variance
3.29.	Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities per annum.	**10**	**10**	**17**	**7**		A deferral from the 2024/25 contributed to the overachievement of the target.
3.30.	Number of Federations /Trade Unions supported through the relevant skills training interventions per annum.	**5**	**4**	**5**	**1**		There are 5 Unions operating in the MMS and all of them had active projects in the 2025/26 financial year.
3.31.	Number of employed learners completed inhouse/industry-based training courses per annum.	**569**	**1000**	**1127**	**127**		The target was exceeded due to high number of learners reported in the system, supported by the availability of budget.
3.32.	Number of employed learners completed short courses per annum.	**502**	**1000**	**1031**	**31**		Target exceeded. This is due to the sector's interest in this programme.
3.33.	Number of Rural Development Projects initiated per annum.	**38**	**10**	**22**	**12**		A deferral from the 2024/25 contributed to the overachievement of the target

Programme 4: Quality Assurance, Monitoring and Evaluation

Purpose: Ensure the delivery of quality and impactful learning programmes in the Mining and Minerals Sector.

Ref. No	Programme Performance Indicator	Actual Achievement 2024-2025	Planned Target 2025-2026	Actual Achievement 2025-2026	Deviation from planned target to Actual Achievement for 2025-2026	Dashboard	Comments on Deviation
4.1.	Number of reviewed or developed learning materials per annum	**182**	**35**	**224**	**189**		Industry requested LM development for Trades. Due to the GG on transistional arrangements for pre 2009 qualifications - many quals and SPs have been registered and therefore required LM to be developed.
4.2.	Number of reviewed or developed learning programmes per annum	**204**	**65**	**65**	**0**		No variance
4.3.	Number of HDSA supported to achieve accreditation status as skills development providers in the Mining & Minerals Sector per annum	**5**	**5**	**5**	**0**		No variance

3.5 DISCRETIONARY GRANT PROGRAMME AND CAPITAL EXPENDITURE

3.5.1 DISCRETIONARY GRANT PROGRAMME EXPENDITURE

Programme/ Activity / Objective	2025/2026			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	231 060	211 261	19 799	197 960	191 452	6 508
Programme 2	390 351	383 565	6 786	344 587	362 413	(17 826)
Programme 3 and 4	1 457 344	1 382 591	74 753	1 832 453	1 599 246	233 207
TOTAL	**2 078 755**	**1 977 417**	**101 388**	**2 375 000**	**2 153 111**	**221 889**

3.5.2 CAPITAL INVESTMENT TO SUPPORT OPERATIONS

The development of the ERP system commenced on 01/11/2024 and is expected to be completed by 30/11/2026. As at the reporting date, the system remains under development and is not yet available for use. The project comprises several integrated modules, with the major operational modules expected to be implemented during the 2026/27 financial year.

Infrastructure Projects	2025/2026			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Internally generated intangible assets – ERP System	14 000	7 567	6 433	10 000	10 132	(132)

3.6 SKILLS DEVELOPMENT AND RESEARCH

The report provides an overview of the performance of the Skills Development Research Unit (SDRU) in relation to Programme 2 of the Mining Qualifications Authority (MQA) Annual Performance Plan. The mandate of the unit is to enhance skills development planning and decision-making through research. In alignment with this mandate, the unit is responsible for skills development and research determination, delivery, and dissemination (conceptualisation, implementation, monitoring, sharing of key research insights and recommendations) of the annual Research Agenda. This includes fulfilling the following key performance areas and expectations.

Management of Company Registrations and Inter-SETA Transfers:

Responsible for overseeing the registration process of companies, including the coordination and facilitation of inter-SETA transfers for both incoming and outgoing organisations.

Capacity Building for Skills Development Facilitators and Committees:

Facilitate capacity-building initiatives for Skills Development Facilitators (SDFs) and Skills Development Committees, particularly concerning the preparation and submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs), which are prerequisites for accessing Mandatory Grants and, where applicable, Discretionary Grants.

Update of DHET's Organising Framework for Occupations (OFO) Dictionary

Collect inputs from experts and practitioners within the Mining and Minerals Sector (MMS), including Skills Development Facilitators (SDFs), to update the OFO codes relevant to the MMS, as and when required by the DHE.

Development and Updating of the Sector Skills Plan (SSP):

Develop a five-year SSP and conduct annual updates to provide robust labour market intelligence on current and future skills requirements (identify hard-to-fill vacancies or occupations in high demand, shortages and gaps) within the Mining and Minerals Sector (MMS).

Labour Market Analysis and Research:

Conduct comprehensive analyses of labour market trends, identify pertinent topics, and undertake research projects or initiatives related to skills development in the MMS

3.6.1 ANNUAL PERFORMANCE UPDATE

Registration of mining and minerals sector companies with the MQA

Inter-Seta Transfers	Progress To Date
Facilitate and support the structured transfer of companies between Sector Education and Training Authorities (SETAs) to ensure that each organisation is accurately classified according to its core business activities. This process promotes alignment with the most appropriate SETA in terms of sector focus, skills development priorities, and regulatory requirements.	During the 2025–2026 financial year, a total of 46 Inter-SETA (IST) transfers were initiated. The current status of these transfers is as follows: Completed: 23 companies have been successfully transferred to the MQA. There are currently 18 companies with transfers in progress. In addition, a total of five (5) companies have been specifically designated as being in the formal process of transferring to the MQA.
Levy Payer Database Update	**Progress To Date**
To update the MQA information management systems with the most recent employer file from DHET and monitor ISTs through this process.	The levy payer database update was conducted monthly after the MQA received the employer file from DHET. The last update was on the 30th of March 2026.

Review of the submission of Workplace Skills Plans, Annual Training Reports and Sector Skills Plan

The MQA successfully launched its Workplace Skills Plan–Annual Training Report (WSP-ATR) system, which went live on 02 December 2025. This platform provides Skills Development Facilitators (SDFs) with an efficient way to register and submit their WSPs-ATRs. A total of 1 010 WSP-ATR submissions were received and approved for the 2025/26 submission cycle, surpassing the APP target of 750 submissions. All the submitted WSP-ATRs underwent the verification for compliance (administrative checking), evaluation, and recommendation for approval or non-approval.

The table below reflects the submission status in terms of company size:

Size	Annual Target	Achievement
Large(150+)	320	456
Medium (50 - 149)	180	225
Small (0 - 49)	250	329
TOTAL	**750**	**1010**

2025/26 WSP-ATR submission per output indicator is shown as follows:

Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against Annual Target	% Annual Achievement
2.1a. Number of WSPs and ATRs approved for small firms per annum	320	456	136	143%
2.1b. Number of WSPs and ATRs approved for medium firms per annum	180	225	45	125%
2.1c. Number of WSPs and ATRs approved for large firms per annum	250	329	79	132%
CUMULATIVE TOTAL	**750**	**1010**	**260**	**135%**

MANDATORY GRANT PAYMENTS

Table 1.1 below illustrates the alignment between the projected budget derived from projected levy income and the actual grant payouts processed through Workplace Skills Plan (WSP) and Annual Training Report (ATR) approvals.

	2024/2025 (R)	2025/2026 (R)
Budget	344 587 000	390 351 000
Expenditure	362 413 000	383 565 000
Utilisation %	105,17%	98,26%

2025/2026: Expansion and Efficiency

- Expenditure was contained at R383,6 million.

A highly efficient 98.22%, indicating that nearly all budgeted funds were successfully disbursed to compliant employers without exceeding the threshold. Additionally, it suggests that more companies successfully submitted their Workplace Skills Plans (WSP) and Annual Training Reports (ATR).

2025 WSP-ATR Information Management System Update and Submission Plan

The MQA appointed nTier to develop, manage, and support the MQA ERP system for the WSP-ATR module. Below is an overview of the activity plan for the system upgrade and the WSP-ATR submission process, including the associated timeframes.

Project Activities And Timeline				
No.	**Category**	**Activity**	**Role**	**Timeline**
1.	First batch of 2026/2027 WSPs-ATRs submissions	Submission of first batch of the 2026/27 WSPs-ATRs and supporting documents to MQA	SoluGrowth/Delivery Team/SDR	08 May 2026
2.	Evaluation and approval of the submissions on SIMS (old system)	Admin checking, recommendation for evaluation and approval.	SoluGrowth/SDR	05 April 2026 – 30 May 2026
	Second batch of 2026/2027 WSPs-ATRs submissions	Submission of second batch of the 2026/27 WSPs-ATRs and supporting documents to MQA.	SoluGrowth/Delivery team/SDR	05 June 2026
3.	Data migration	Submission of historical data including SDF data. MG historical data starting from 2010 to date. The focus is on migrating WSP-ATR submissions for the current financial year.	Delivery team/SDR	15 May 2026
4.	Data validation	To ensure data integrity and ensure validation controls will be implemented	Delivery team/SDR	30 May 2026
5.	WSPR-ATR evaluations and approval in the ERP (new system)	Second phase of evaluation and approval: administration checking, recommendation for evaluation and approval.	Delivery Team/SDR	30 May 2026 – 20 September 2026
6.	Final acceptance testing (FAT)	Final acceptance testing	SDR/Delivery Team/Finance Team + GP SP	26 May 2026
7.	End-user training (Internal))	Training of internal end-users WSP-ATR task team	Delivery Team (MQA BA) / SDR	15 June 2026
	Go-live readiness checklist	UAT signed off Internal training completed		30 April 2026
8.	Go-live readiness and go live (Internal use)	Preparation for go-live with the inputs from FAT sessions; Evaluation and confirmation of all the information and documents to ensure continuity of quarterly payments; Confirm linkage between evaluations and approvals, payment eligibility; and Ensure integration with Finance module for disbursements.	SDR/Delivery team	15 May 2026
9.	Evaluation + payment batch processing	Continuation of the online evaluation and batch payment processing	SDR/Finance team	15 June 2026
10.	Stakeholder readiness	Approval and readiness of SDF Training Manual	MQA BA	30 October 2026
		Change Management - internal and external training conducted for staff, Task Team and SDFs		30 October 2026
		SDF Onboarding Approach	SDR	05-30 October 2026
		Demo Sessions / SDF Training	Delivery Team and SDR	01 December 2026 – 15 March 2027
11.	WSP/ATR Submission Window (26/27FY)	Opening of the new WSP/ATR submission window	Delivery Team and SDR	01 December 2026 – 30 May 2027

Below is an overview of the activity plan for the system upgrade and the WSP-ATR submission process, including the associated timeframes.

Category	Risk Area	Potential Impact	Control Measure
Statutory Compliance & Deadline Risks	Delayed WSP-ATR evaluations, approvals and incomplete MG data validation	Backlog of unevaluated applications and inability to proceed to approvals Delayed MG payments for the 1st and 2nd quarters due to the switched-off SIMS systems	Evaluations will be done on SIMS from 1 April to 18 May 2026. Ensure full and complete payments in Q1 and communication to the stakeholders in time for this possible risk.
	Approval workflow failures	Delays or invalid approvals lead to compliance breaches	Ensure approval workflows are properly outlined, configured and tested by all key approval stakeholders (i.e., SM: SDR, SM: IT, SM: FM, Executive Manager: Corporate Services, COO, CEO)
	Payment processing delays	Non-compliance with disbursement regulations	Demonstration and simulation Confirmation of full and accurate testing during the FAT stage. Parallel run to be completed for comparison purposes and sign-off before switching off.
Data Migration Risks	Incomplete data migration	Loss of records; inability to verify compliance or process payments	Demonstration and simulation Data cleansing and sign-off to be done by internal SDR team to ensure accuracy and completeness FAT sign-off to confirm the above
	Data corruption or alteration	Incorrect or incomplete evaluations, approvals, and payments	
	Broken record linkages	iDempiere fields not properly aligned to ERP structure	
Change Management	Inadequate user training	Incorrect submissions; increased rejection rates	Internal and external training conducted for staff and WSP-ATR Task Team. Evaluator training (May 2026): Specific workshops for SDR staff to evaluate the first batch of 2026/2027 submissions. Develop structured training programs; user manuals; hands-on workshops
Communication Gaps	Poor stakeholder communication	Missed deadlines; non-compliant submissions	SDR to implement communication plan (emails, webinars, notices) with effect from 1 May 2026

WSP-ATR evaluations, approvals, and related risks with mitigation measures.

Review the research related to skills development in the mining and minerals sector

	Short Project Title	Research Objective	Research Partner	Time Limits	Progress/ Status	Next Phase
1	SSP Update: 2026-2027 Legislative Imperative	In line with the DHET SSP framework, the objective is to provide critical insights into key factors influencing demand and supply of skills in the MMS in line with the National Medium-Term Development Plan priorities.	Research Team	March 2025 – August 2025	Completed	Present findings ath the Gauteng Research Colloquium
2	A study to Identify and analyse the specific Mining and Mineral Sector (MMS) related skills development needs in Mpumalanga	Identify province-specific MMS skills development needs by • profiling • demographics, economic • landscape, • mining • commodities, • occupational • shortages, • education • provider capacity, and • community-level skills needs. Identify province-specific MMS skills	Wits University	September 2024 – December 2025	Completed	Commuicate findings at Provincial Research Colloquium
3	A study to Identify and analyse the Specific Mining and Mineral Sector (MMS)-related skills development needs in the Eastern Cape			September 2024 – December 2025		
4	A study to Identify and analyse the Specific Mining and Mineral Sector (MMS) related skills development needs in KwaZulu-Natal			July 2025 – March 2026	Completed	
5	A study to Identify and analyse the Specific Mining and Mineral Sector (MMS) related skills development needs in the Northern Cape			July 2025 – March 2026	Completed	
6	A study to Identify and analyse the Specific Mining and Mineral Sector (MMS) related skills development needs in Limpopo		University of Pretoria	June 2025 – March 2026	Completed	

Research Performance Update

Programme Description	Annual Target	Achievement
Output Indicator 2.2. Number of sector research outputs completed per annum	6	6

3.7 LEARNING PROGRAMMES – STRATEGIC PROJECTS

The Learning Programmes Strategic Projects Unit successfully implemented a total of eight strategic projects in the 2025/2026 financial year, exceeding all performance targets. The unit made substantial progress in contributing to the MQA's strategic outcomes and the broader National Skills Development Plan. Key achievements include surpassing targets in bursaries, internships, work-integrated learning, and management and executive development programmes, while formalising 13 institutional partnerships with public universities and colleges.

The eight (8) strategic projects are as follows:

- Bursaries (for unemployed and employed);
- Work experience (including vacation work);
- Internship programme;
- Management and Executive Development programmes support;
- Higher Education institutions' lecturer support;
- Workplace coaches;
- Candidacy programme; and
- Short courses.

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	Variance	% Achievements
Number of graduates that enter an internship programme per annum	500	574	74	115%
Number of graduates that complete an internship programme per annum	600	614	14	102%
Number of university students requiring work-integrated learning to complete their qualifications placed in workplaces per annum	300	401	101	134%
Number of university students completed their Work Integrated Learning (WIL) placements per annum	350	805	455	230%
Number of HDSA MMS employees that enter a Management Development Programme (MDP) per annum	150	202	52	135%
Number of HDSA MMS employees that complete an MDP per annum	80	199	119	249%
Number of HDSA HET lecturers that enter into a lecturer development programme per annum	10	21	11	210%
Number of HDSA MMS learners that enter the candidacy programme per annum	50	62	12	124%
Number of mentors and coaches placed within workplaces to support employers with on-the-job mentoring and coaching activities per annum	100	151	51	151%
Number of unemployed learners awarded a bursary per annum	430	504	74	117%
Number of unemployed learners awarded a bursary, completed per annum	600	660	60	110%
Number of unemployed learners awarded bursaries (continuing) per annum	1500	1922	422	128%
Number of workers granted bursaries, entered per annum	70	79	9	113%
Number of workers granted bursaries completed their studies	25	30	5	120%
Number of workers granted bursaries (continuing) per annum	65	96	31	148%
Number of learners completed short courses provided by public institutions per annum	1000	1031	31	103%

Programme Performance Highlights

This section provides detailed narrative summaries of each programme, including purpose, performance and impact. Projects included Bursaries, Internships, Management Development, Lecturer Support, Workplace Coaches, Candidacy, Short Courses, and HEI Partnerships.

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.

During the financial year under review, the set annual target of 430 for unemployed bursars' intake was exceeded, with 504 unemployed bursars from universities, universities of technology and TVET colleges benefitting from the MQA Bursary Scheme.

Six hundred and sixty (660) unemployed bursars completed their qualification against a target of 600.

Seventy-nine (79) employed bursars were awarded bursaries and 30 employed bursars completed their qualifications.

Work Experience

The MQA supports learners in obtaining 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 401 out of a set annual target of 300 students were placed within mining companies for workplace experiential training. For the year under review, 805 learners completed their work experience programme over a target of 350.

Internships

The project provides structured work experience for young unemployed graduates from Higher Education Institutions and those that completed their artisan trade to complement the scarce and/or critical skills qualifications required by the mining and minerals sector. During the reporting period, 574 graduates out of a target of 500 graduates were placed at different mining companies to gain work experience. With 614 learners completing their internship programmes, of this number, 118 were absorbed into employment.

Management and Executive 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 202 out of a target of 150 learners were supported to study towards Management and Executive Development Programmes in the year under review. A total of 199 out of a target of 80 learners completed their Management Development Programmes.

Higher Education Institutions Lecturer Support

This programme focuses on assisting universities to achieve employment equity and transformation by supporting the development of historically disadvantaged lecturers by placing them at institutions to gain experience. A total of 21 lecturers against a target of 10 were supported in the mining-related departments of the participating universities during the year under review, with 41 lecturers still supported as continuing lecturers in the current year.

Workplace Coaches

The project is aimed at providing employers with additional coaches which will assist with the training of learners that are registered on various MQA funded projects. These coaches are individuals that possess the required on-the-job knowledge and experience and are currently working in the sector or previously worked in the sector for a number of years. During the reporting period, 151 coaches were engaged with a number of employers to transfer knowledge and skills to the learners.

Candidacy Programme

The project aimed at providing structured work experience for unemployed and employed individuals who would like to attain the Government Certificate of Competency, Mine Surveyor Certificate and Mine Manager's Certificate. During the reporting period, 62 graduates out of a target of 50 were funded at different mining companies.

Short Courses Programme

The objective of the MQA Short Courses Programme is to provide targeted skills interventions that address specific occupational needs and knowledge gaps within the mining and minerals sector. These courses are designed to enhance the skills of employees in the MMS, improve workplace productivity, and support lifelong learning. In the financial year under review, the MQA set a target to support 1 000 learners through short courses delivered by public institutions.

The entity successfully exceeded this target, achieving a total of 1 031 learners trained.

Partnerships With Institutions of Higher Learning

In the year under review, the Learning Programmes Strategic Projects Unit took the initiative to join the CEO and visit institutions of higher learning; this was part of a proactive approach to partnership development. These visits provided us with invaluable opportunities to engage directly with academic leaders, faculty members, and administrative staff, fostering meaningful dialogues and exploring avenues for collaboration. The primary aim of this initiative was to foster stronger partnerships with the institution for implementation of skills development interventions. This initiative aimed to enhance collaboration and expand access to educational opportunities for young people. Through these strategic engagement efforts, the unit successfully achieved significant milestones in this regard and signed five memoranda of understanding/agreements with the institutions of higher learning to implement various skills development initiatives.

Key areas of collaborations:

The efforts yielded tangible results, with the signing of four (4) memoranda of understanding with the universities. These agreements encompass a range of collaborative initiatives, including but not limited to:

1. **Research Collaboration:** Facilitating joint research projects and initiatives that leverage the expertise of both academia and industry to address real-world challenges and advance knowledge in key areas.

2. **Talent Development:** Providing students with access to internship opportunities, work experience placements, and mentorship programmes aimed at enhancing their employability and professional development.

3. **Bursary Scheme Management:** Strengthening the management of our bursary scheme through close collaboration with university officials, ensuring equitable distribution and effective utilisation of resources.

4. **Lecturer Support:** Support to institutions to place lecturers at institutions to gain experience.

The MQA hands over Certificates to CPUT learners following settlement of historical graduate debt.

The MQA successfully hosted a certificate handover ceremony at Cape Peninsula University of Technology (CPUT) on 13 February 2026, this ceremony was a result of the MQA settling historical debt for 16 previously funded bursars amounting to R912 974,76 enabling them to finally access their academic certificates.

The ceremony was led by MQA Chief Executive Officer Dr Thabo Mashongoane with the Accounting Authority Chairperson, Dr Zethu Qunta, and executive management. In their addresses, the leadership emphasised the importance of perseverance among graduates while also acknowledging systemic challenges related to student funding in South Africa.

The settlement of graduate debt is not only a financial intervention but a transformative act that restores dignity, unlocks potential, and reinforces MQA's role in building a capable, inclusive and future-ready workforce. This milestone highlights the MQA's continued commitment to facilitating access to education, supporting learner success, and driving meaningful impact in the mining and minerals sector and beyond. This strategic decision reflects MQA's commitment to ensuring that funded learners are not only supported during their studies but are also able to fully realise the value of their qualifications through access to employment and further learning opportunities.



Learners receive certificates

3.8 LEARNING PROGRAMMES: OPERATIONS PROJECTS

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

- Artisan Development
- CoS Project
- Non-Artisan (Learner ship)
- 4IR Learnership
- Artisan Recognition of Prior Learning (ARPL)
- Adult Education and Training
- Occupational Health and Safety Skills Programmes
- In house Training

Artisan Development

The artisan programmes offered by the MQA seek 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, which is aimed at strengthening the functioning of TVET Colleges as centres of excellence in the country's priority trades.

Achievements in the CoS Project

A total of 90 learners were registered in the year under review in this programme.

The MQA has been on a drive with the DHET to forge partnerships with TVET Colleges and the Industry through the assistance of the Minerals Council South Africa. This is an effort to increase participation in the CoS programme.

The parties are collaborating in the implementation of the projects that are of mutual interest and are designed to advance the mandates of each entity.

The Memorandums of Understanding (MOU) have been signed with employers and COS TVET colleges that expressed interest in this collaboration.

Below are the partnerships achieved:

- MOU between MQA, Exxaro Grootegeluk and Lephalale TVET College
- MOU between MQA, DHET and Waterberg TVET College,
- MOU between MQA, Sasol and Gert Sibande

Artisan Internship

The MQA's objective for implementing the Artisan Internship Programme in the mining sector is to improve the employment prospects of young people and new entrants by giving them industry-relevant work experience. The objective of the artisan internships is to provide newly qualified artisans with additional, industry-specific exposure and practical experience in areas that were not covered or insufficiently addressed during their initial off-the-job and on-the-job training. The internships aim to ensure that artisans are fully competent, work-ready, and aligned with the specific technical and safety requirements of the mining environment.

A total of 37 qualified artisan learners were registered with the Artisan Internship Programme in the year under review.

Non-Artisan (Learnerships)

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

Non-artisan learnerships include the 4IR Programme, which offers qualifications.

4IR Learnerships

The primary purpose of the 4IR learnerships is to foster a culture of innovation and professional growth within the mining sector. 4IR skills, learnerships, and skills programmes are designed to equip the workforce and unemployed learners with essential skills needed in the evolving technological environment. This initiative aims to address critical skills shortages and enhance the employability prospects of our learners once they have 4IR skills.

A total of 10 employed learners and 10 unemployed learners are registered for 4IR Qualifications.

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 have completed trade skills programmes.

Adult Education and Training

Addressing the low level of youth and adult language and numeracy skills to enable access to further training and development in intermediate and advanced skills within the mining industry. The MQA will be supporting the provision of digital skills at the AET level within the sector.

Occupational Health and Safety Skill Programmes

The objective of the OHS Project is to train employees in the sector on critical occupational health and safety skills programmes, including as health and safety representatives. This is done to assist the sector to comply with the requirements of the Mine Health and Safety Act 29 of 1996 and to mitigate accidents and fatalities within the sector.

In-house Training

The MQA (Mining Qualifications Authority) objective for implementing in-house training in the mining sector is primarily to improve the overall competence and productivity of workers. It also addresses skills gaps specific to the operational needs of individual mining operations.

Development of the Digital Learning Programmes Platform

The unit facilitated the development of an online interactive learning programme system with digital capabilities and functionalities for the MQA.

The digital platform serves as a meeting place between employers and learners and an information repository for all MQA learning programmes. The system has four platforms: Learner Registration, Employer Registration, and an Alumni field for all the learners who have completed the learning programmes supported by the MQA, and the Information Repository platform.

Details of enrolments include:

34 learners were recruited through the system.

40 employers and 3543 learners have registered on the system.

Achievement against the Annual Performance Plan targets (Learners Funded by the MQA) for the 2025-2026 financial year:

These are depicted in the table below:

Project	Indicator	Baseline (2024/2025)	App Target 2025/2026	Achievement	Variance
Artisan Development	Number of learners that enter an Artisan Programme per annum	1607	1 000	1 198	198
	Number of learners that complete an Artisan Programme per annum	1314	800	1 427	627
	Number of learners who complete an Artisan Recognition of Prior Learning	63	30	34	4
	Number of learners that complete an Artisan Aides programme per annum	297	200	221	21
Non-Artisan Learnerships	Number of employees entering a learnership per annum	742	400	485	85
	Number of employees completing a learnership per annum	618	300	593	293
	Number of unemployed entering a learnership per annum	1 946	800	911	111
	Number of unemployed completing a learnership per annum	1 725	900	1 082	182
Occupational Health and Safety	Number of employees that successfully complete the Occupational Health and Safety Representatives Skills Programme per annum	3 969	2 000	2315	315
Adult Education and Training	Number of learners that successfully complete AET and NATED courses	1 927	750	888	138
In-House Training	Number of learners completed in-house/industry-based training courses per annum	569	1 000	1 127	127
Centres of Specialisation	Number of CoS-supported courses per annum	13	3	6	3

All the targets for funded learners for the financial year under review were met and exceeded.

Achievements against the Service Level Agreements with DHET Targets (Learners funded by the Sector) for the 2025-2026 financial year:

These are depicted in the table below:

Project	Project	Baseline	Sla Target 2025/2026	Achievement	Variance
Non-Artisan Learnerships	Employed learners enrolled in learnerships	1 493	680	1065	385
	Employed learners that completed learnerships	736	300	780	480
	Unemployed learners enrolled in learnerships	3 329	1200	1 927	727
	Unemployed learners that completed learnerships	1 972	850	1 258	408
Artisan Development	Learners enrolled in artisan qualifications	1 791	1000	1 540	540
	Learners that completed artisan qualifications	2 119	800	2 170	1 370
Adult Education and Training	Learners that completed adult education and training	2 116	750	1 509	759
Workers Completed Skills Programmes	Workers that completed skills programmes	29 375	22 000	38 308	16 308
Recognition of Prior Learning	Number of learners who completed the RPL/ARPL	185	30	34	4
Centres of Specialisation	Number of CoS-supported programmes per annum	13	3	6	3

All the targets for non-funded learners for the financial year under review were met and exceeded.

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

Returns of allocations for funding learners by several mining companies citing organisational restructuring and retrenchments, etc.

Slow uptake of learners by participating companies

SECTION 4

STAKEHOLDER RELATIONS AND CUSTOMER SERVICE AND COMMUNICATION





4. STAKEHOLDER RELATIONS

The Stakeholder Relations Department (SRD) fosters engagement with and supports local stakeholders in services traditionally offered by the MQA, advocates MQA offerings, secures meaningful partnerships with key stakeholders in addressing training needs of mine host communities as well as labour-sending areas, and supports entrepreneurs and the growth of the SMMEs, CBOs, NPOs, Cooperatives and NGOs sector. The department, through its regional offices, further monitors and supports regional projects and implements and manages projects located in provinces through the MQA's regional offices. The department supported the MMS through the following interventions:

- Career guidance events involving both learners (in rural and urban areas) and educators for careers in the MMS;
- CET/TVET colleges support;
- Mine community development support;
- Unemployed youth development support;
- Small-scale mining support initiative;
- SMMEs, NGOs, NPOs CBOs and Cooperatives support initiative;
- Worker-initiated training support. Soon-to-be-retrenched and retrenched mineworkers;
- Partnership management; and
- Special projects.
- Career Guidance Events involving both learners and educators for careers in the MMS.

4.1 CAPACITY-BUILDING INITIATIVE FOR CAREER DEVELOPMENT PRACTITIONERS

The capacity-building workshops were carried out in the Limpopo, KwaZulu Natal, Eastern Cape and Free State provinces. The emphasis was on a train-the-trainer model of delivery to secure sustainability in supporting learners make wise career choices. A total of 13 capacity-building workshops were conducted for 196 practitioners that attended the sessions.

4.2 CAREER GUIDANCE EXHIBITIONS

Stakeholder Relations Department, together with the Customer Services and Communications Unit, participated in a total of 139 career guidance exhibitions across the country in events that the MQA was either invited to or initiated by targeting schools in different areas. The 139 career guidance activities were conducted in both rural (81) and urban (59) areas. The objective was to share with learners and out-of-school youths the opportunities that are available at the MQA for different profiles and the following areas were the focus amongst others:

- Guidance on subject choices;
- Bursary opportunities;
- Work-integrated learning and Internships; and
- Artisan and non-artisan career advice, among others.

The table below reflects on career guidance (both rural and urban area) events attended in each province within the 2025 to 2026 financial year:

No	Province	Urban	Rural	Total
1.	Eastern Cape	3	10	13
2.	Free State	11	5	16
3.	Gauteng	6	1	7
4.	KwaZulu-Natal	9	10	19
5.	Limpopo	4	15	19
6.	Mpumalanga	4	10	14
7.	Northern Cape	6	20	26
8.	North West	11	10	21
9.	Western Cape	5	0	5
TOTAL		**59**	**81**	**140**

On Thursday, February 26, 2026, learners attended the Mining Skills Lekgotla Career Exhibition 2026 at Gallagher Convention Centre in Midrand, Gauteng.



Learners at the Career Guidance Stand

The MQA partners with the Department of Basic Education and Eastern Limb mines annually for a week-long event to bring career guidance information to young learners residing within the Fetakgomo Tubatse Local Municipality.

The Limpopo Regional Office engaged with approximately 5 000 learners from 30 different schools throughout the week-long event to enlighten them on various career opportunities that are available within the mining and minerals sector. The event commenced on 5 May and concluded on 9 May 2025.



Speakers at the event

4.3. COMMUNITY EDUCATION AND TRAINING (CET) / TECHNICAL VOCATIONAL EDUCATION AND TRAINING (TVET) COLLEGES SUPPORT

The MQA provides financial support for the training of CET/TVET college learners and lecturers. A budget of R 127 604 000.00 was approved for implementation of the CET/TVET College Support programme in the year under review. Learners are mainly supported to kick-start their own career paths and improve their chances of employability and/or participation in the economy. Lecturers are supported to improve on their teaching skills. During the year under review, the MQA collaborated with CET and TVET colleges to successfully rollout the following interventions:

Ref No.	Programme Performance Indicator	Planned Target 2025-2026	Actual Achievement 2025-2026
3.18a.	Number of TVET students requiring work-integrated learning to complete their qualifications placed in workplaces per annum.	150	168
3.18b.	Number of TVET students completed their work-integrated learning placements per annum.	150	600
3.19a.	Number of TVET lecturers exposed to the industry through skills programme per annum	15	20
3.19c.	Number of CET college lecturers awarded skills development programmes per annum	15	18
3.20.	Number of TVET college and HEI graduates that enter CET internships per annum	25	27
3.21.	Number of TVET college graduates that enter an internship programme per annum	25	26
3.24.	Number of CET learners accessing AET programmes per annum	350	380

The MQA supports TVET college graduates entering WIL programmes to complete their training and be certified as artisans. NCV learners with engineering qualifications at level 4 are registered into a learnership with a view to passing their trade test. During the reporting period the MQA completed a total of 600 learners at a cost of R 30 122 050,00 expensed from commitment. The trades breakdown is as follows:

Artisan Trade	Number of Artisans Completed	Budget Spent
Boilermaker	64	R 3 300 640,00
Diesel Mechanic	32	R 1 650 320,00
Electrician	340	R 17 534 650,00
Fitter and Turner	103	R 5 311 967,50
Welding	41	R 2 114 472,50
TVET WIL	20	R210 000, 00
TOTAL	**600**	**R 30 122 050,00**

Presidential Youth Employment Initiative

The Presidential Youth Employment Initiative places TVET graduates on internship and work experience programmes for a minimum period of 12 months within the TVET colleges. This initiative targets youths who require work exposure to obtain their qualifications. The target for the 2025/2026 financial year was 150 learners and the MQA registered the 168 learners on the programme in the year under review. Although the programme caters to the scope in and outside the mining and minerals sector, the MQA prioritises learners enrolled in engineering-related fields. The MQA had an approved budget of R6,426 million for new intake.

4.4 MINE COMMUNITY DEVELOPMENT SUPPORT

The Mine Community Development training intervention facilitates and supports the training of mine host community members and labour-sending areas on skills to render such communities sustainable.

A total of nine (9) Mine Community Development project beneficiaries were enrolled in the 2025/2026 financial year in a variety of training interventions, including end-user computing skills, security training, early child development and upholstery. Nationally, nine service providers were allocated funding, and the provincial distribution of projects is depicted in the table:

GP	NW	FS	EC	KZN	LP	NC	MP	WC
0	1	0	1	2	1	2	2	0

In the year under review, a total of 1 377 learners completed their training programmes in different interventions such as bricklaying, satellite installation, professional driving, system support, tractor-loader-backhoe operators and horticulture. The MQA had a budget of R42,167 million for the implementation in the year 2025/26 for this project.

The post-training opportunities that were available for the learners included

- Employment,
- Start-up kits per individual or registered cooperative, and
- Linkage to other sources of funding for continued support.

4.1. Small-Scale Mining Project

A total of 100 beneficiaries (unemployed people or retrenched, soon-to-be-retrenched and ex-mine workers) from mining communities and/or labour-sending areas were trained and completed accredited small-scale mining programmes. This training program empowers small-scale miners with formal training so that they can acquire a qualification and operate sustainable businesses and/or be employed in a small mining operation. A total budget of R 1 5 million was set aside for the implementation of the project. The only accredited training provider for the small-scale mining skills programme was targeted to train learners from two provinces for the 2025/2026 financial year.

The table below reflects the geographic spread of beneficiaries trained in the year under review:

GP	FS	TOTAL
50	50	100

4.5. UNEMPLOYED YOUTH PROJECT

The objective of the Unemployed Youth Development project is to train the unemployed youth beneficiaries (18- to 35-year-olds) from mine host communities and/or labour-sending areas on accredited portable skills for employability and sustainability. A budget of R 51 million was allocated to recruit a total of 1 500 beneficiaries to start training in the year under review and to cater to the commitments made in the previous financial years.

Due to a sufficient budget, a total of 1519 learners were enrolled in various courses for developing skills, including in:

- Agriculture and Food Production: Plant Production, Mixed Farming Systems, Agriculture, Meat Processing, and Bee Rescue/Keeping,
- Technical and Construction Trades: Construction (Pothole Repair), Building and Construction, Bricklaying and Plastering, Roofing, and Domestic Water and Drainage Pipe Repairer,
- Green Energy: Solar Photovoltaic Standalone Service Technician,
- Community and Personal Services: Funeral and Mortuary Services, and Scooter Drivers' Skills, and
- Entrepreneurship (New Venture Creation NQF 2): Sewing, Seamstress training, Shoe Making, and Upholstery.

A total of 1621 beneficiaries completed various training interventions in the year under review.

In the year under review, 18 projects were allocated. The anticipated completion date for this allocation is in the next financial year. Below is the geographic spread of projects allocated per province:

NW	FS	EC	KZN	LP	NC	MP	WC
1	4	4	2	3	1	1	2

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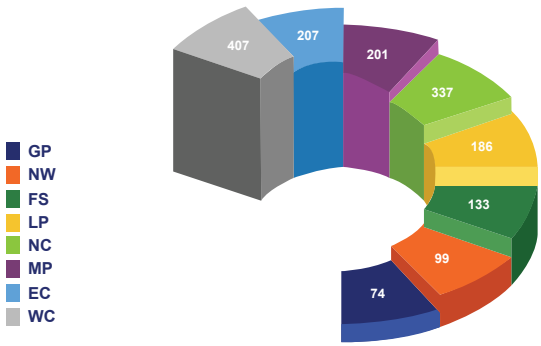
Number of beneficiaries that completed the Youth Development project per province.



A total of 1 105 beneficiaries completed the following courses and were considered competent in the following skills:

- Absorbing Gold into Carbon
- Animal Production
- Bread and Flour Confectionery and Baking
- Computer Network Technician
- Crop Production Farm Worker
- Electrical Network Control
- Fall of Ground Competent Person B
- FETC Systems Development Unit Standards
- FETC: Beauty and Nail Technology
- House Wiring
- Hydroponics
- Milling of Material
- Mix Farming
- Mortician
- Plant Production
- Poultry Farmer
- Rock Breaker
- Solar Photovoltaic
- Wireman's Licence

Learners were provided with start-up kits to start their own business either as individuals or cooperatives aligned with the skills they acquired during training.

4.6. SMALL BUSINESS SUPPORT PROJECT

The MQA trains and supports Cooperatives, SMMES, NPOs, CBOs and NGOs with skills required to ensure the entities remain sustainable. Sixty (60) Cooperatives, SMMEs, NPOs, CBOs and NGOs were supported against a target of 50 in the 2025-2026 financial year at a of R2,770 million.

The primary objective of the project is to train and support small business, cooperatives and NGOs/ CBOs/NPOs with accredited, relevant, and required training and mentorship.

Indicator Number	Name of Intervention	Annual Target	Achievement
3.14a.	Number of mine community beneficiaries that enter a portable skills programme per annum.	900	1065
3.14b.	Number of mine community beneficiaries that complete a portable skills programme per annum.	400	1378
3.27.	Number of cooperatives funded for skills that enhance enterprise growth and development per annum.	10	13
3.28	Number of small businesses funded for skills that enhance growth and development per annum.	30	30
3.29.	Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities per annum.	10	17

4.7. INTERNATIONAL LITERACY DAY CELEBRATION

The MQA successfully held a webinar as part of the 2025 International Literacy Day (ILD) commemoration on 17 September 2025. The 2025 ILD highlighted the importance of literacy in promoting lifelong learning, digital literacy, and technological competencies within the mining and minerals sector. The MQA hosted the webinar virtually and attracted over 190 attendees from organised labour, employers, training providers, and government departments. The webinar provided a platform for discussions on Adult Education and Training challenges, emerging policies and guidelines, articulation pathways, career progression, and the importance of literacy in equipping individuals with skills required for the future of the sector.

Webinar Highlights:

The below topics were discussed in the webinar:

- MQA Perspective on the Role of Adult Literacy in Developing Technological Skills, presented by Dr Thabo Mashongoane, MQA: Chief Executive Officer
- SSP Insights on Key Drivers and Literacy Levels in the Mining Sector, discussed by Mr Joseph Komane, MQA: Skills Development and Research Senior Manager.
- Promoting Literacy in the Digital Era, delivered by Mr David Diale, DHET: CD: CET Education, Training, Development and Assessment.
- AET as an Instrument for Articulation and Career Growth in the Mining Industry, delivered by Mr Ogodiseng Senye, Minerals Council of SA: Senior Policy Analyst.
- Literacy Accessibility, delivered by Ms Melanie Roy, NUMSA: Snr Research Executive Economic Research and Policy Institute.
- A Critical Review of Abet and Its Failure to Support Literacy and Numeracy in The Labour Market, discussed by Ms Melanie Roy, NUMSA: Snr Research Executive Economic Research and Policy Institute.

Celebration Event

The Mining Qualifications Authority and stakeholders in the mining and minerals sector successfully celebrated the 2025 International Literacy Day (ILD) on 20 September 2025 at Harmony Gold Mining Company. The event strengthened inter-institutional partnerships aimed at promoting literacy, lifelong learning, and socio-economic development. Dignitaries included the Honourable Minister of Higher Education and Training, Buti Manamela, the Deputy Minister of Mineral and Petroleum Resources, Phumzile Mgcina, MQA executives, organised labour, organised employers, community colleges, training providers, sponsors, and over 1 200 Adult Education and Training and Community Education and Training learners and facilitators.

The 2025 ILD celebration was successfully executed and provided a platform to recognise the achievements of Adult Education and Training learners while reinforcing the importance of literacy for technological advancement in the mining industry. The MQA further acknowledged the support and sponsorship received from Harmony Gold Mining Company, Bokoni Platinum Mine, Assmang Black Rock, Aquarela, Palabora Mine, and Bana Ba Thari Mining Academy for contributing towards the success of the event.

4.8. STAKEHOLDER ENGAGEMENT SESSIONS (SES)

In the period under review, engagement sessions were held in all nine provinces on the 20, 26 and 28 November and 5 and 9 December 2025 at NW, LP, MP, GP and virtually (via Teams) in the WC, NC and EC. The theme for Sessions was “Reading to Celebrate 30 years of Skills Development Excellence”.

The messaging comprised, amongst other core MQA offerings,

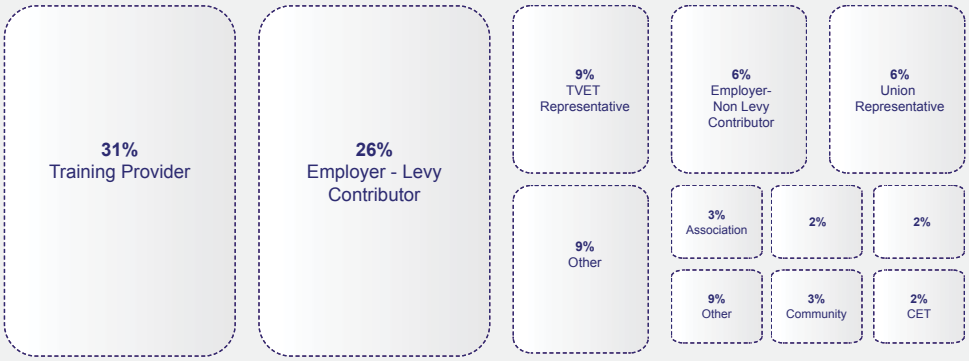
- Changes to the funding policy,
- Preparing and compiling information for the WSP and ATR submissions for the 2025/26 Financial Year,
- The Annual Performance Report (APR) and 2025-2026 Annual Performance Plan (APP), followed by the Chief Financial Officer Presentation, which highlighted the 2024-2025 Annual Financial Statements, Auditor General Report and the 2025-2026 Annual Budget,
- MQA’s new corporate identity, and
- Celebration of 30 years of MQA delivering skills development in the mining mineral sector.

The dates and venues of the stakeholder engagement sessions are listed below:

Province	Venue	Date
North West	Tharisa Minerals – Rustenburg	20 November 2025
Limpopo	Bolivia Lodge - Polokwane	26 November 2025
Mpumalanga	Colliery Training College - Witbank	28 November 2025
Gauteng	Holiday Inn – Boksburg	05 December 2025
Northern Cape, Western Cape, Eastern Cape and KwaZulu-Natal	Virtually on Teams	09 December 2025

4.8.1 STAKEHOLDER ENGAGEMENT SESSIONS (SES)

Figure 1



The total number of delegates that attended the 2025 Stakeholder Engagement Session (SES) was 247 and was drawn from representatives from the following stakeholder groups:

- Government departments such as the DHET and DPMR,
- Mining and mineral sector employers,
- Mining and mineral sector Organised labour,
- Universities, TVET Colleges and CETs,
- Community groups in the mining and mineral sectors, including NGOs and NPOs,
- Sector Education and Training Authorities,
- Other skills development formations, and
- MQA Staff

The Figure 2 analysis is based on the 529 attendees of the National SES. The highest count of the attendee profile is ‘Stakeholder Partner’, which accounts for 103 participants.

Question: Which stakeholder engagement session did you attend?

Figure 2: Segmented view of attendees by Province

20 Nov 2025	North West / Free State - Rustenburg	12
26 Nov 2025	Limpopo - Polokwane	24
28 Nov 2025	Mpumalanga - Emalahleni	15
05 Dec 2025	Gauteng - Johannesburg	6
09 Dec 2025	KZN / EC / WC / NC	1

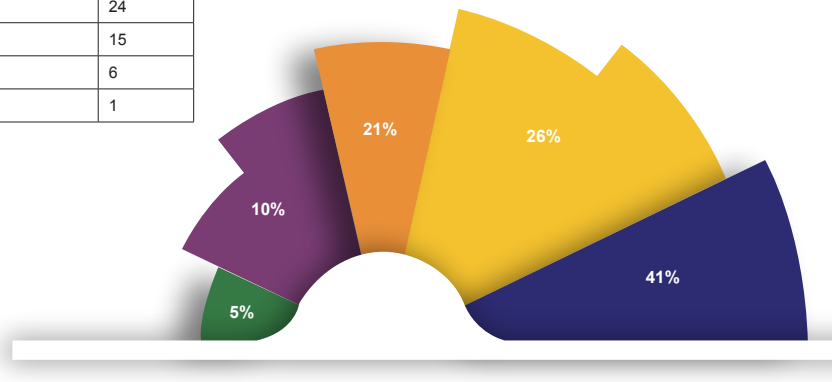


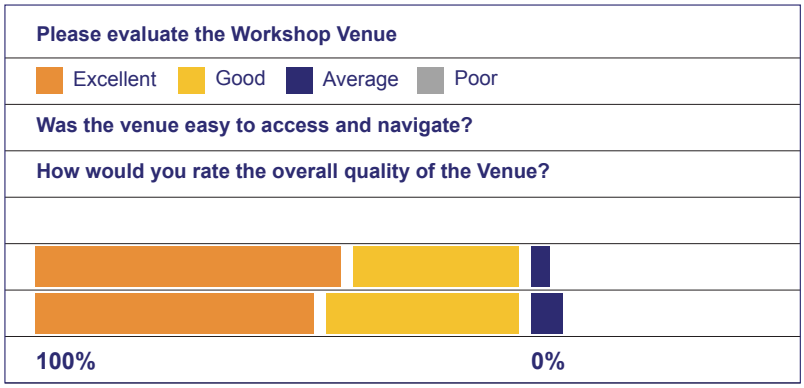
Figure 2 provides the segmented view of attendees by province of the 247 delegates in attendance, 58 scanned the QR code to respond to the survey. This represents a sample of 23.5% of respondents. The quarter of delegates who completed the evaluation forms gave the SES a favourable overall success rating, even though the majority of delegates did not complete the questionnaires.

4.8.2 STAKEHOLDER ENGAGEMENT SESSIONS EVALUATION

An online evaluation form was created which could be accessed by scanning a QR code. This was generated to allow the MQA to measure the satisfaction levels of delegates that attended the event, to evaluate their contentment with regard to the logistical arrangements, the conference event experience and proceedings, and to identify any possible gaps for future improvement.

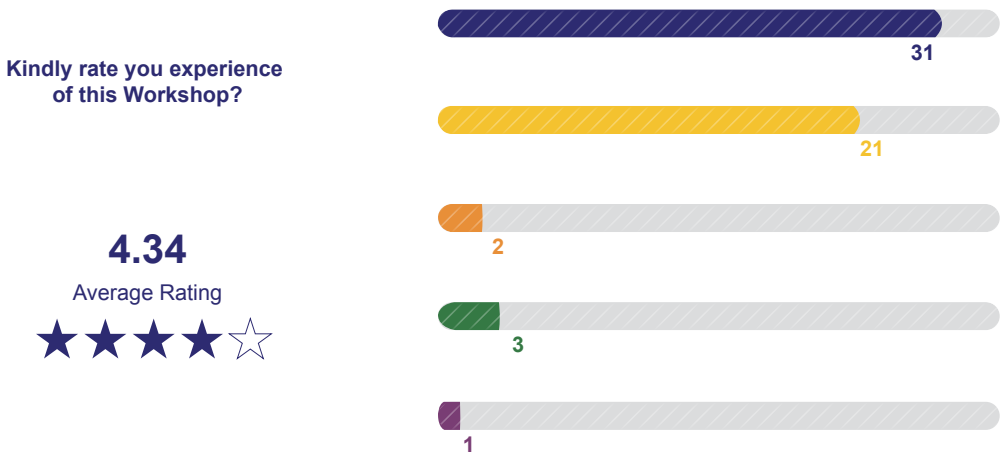
Out of the 247 delegates who attended from the Northwest, Mpumalanga, Limpopo, Gauteng and on Teams, 58 completed the evaluation form. The following aspects of the event were evaluated based on a scale of 1–4 [from poor, fair, good to excellent]. The table below indicates how the respondents rated the event according to the scale:

Figure 3



4.8.2.1 OVERVIEW OF THE PRESENTED CONTENT

Figure 4



SOME OF THE COMMENTS FROM THE DELEGATES ARE AS FOLLOWS:

Event Comments -Ses

- Beautiful setup, well done to the organisers.
- Thanks for the sweeties.
- The presentations have a clear message.
- Venues for MQA SES was excellent.
- Thank you, please continue with clean audit and 100% performance.
- Thank you for investing in the youth who want to make SA a better place.
- MQA must assist the ex-mine workers from the Mpumalanga-Witbank area.
- This was a good meeting.
- MQA must support the entities to support and upgrade the mining communities.
- Congratulations on the 100% performance and clean audit.
- Stakeholders appreciate the work by MQA.
- Thank you MQA for a wonderful and informative engagement.
- The stakeholders are requesting increment in the learner stipend/grant for MCD and UYD.
- MQA position on position in government entities workplace approval.
- In rural regions like the Eastern Cape, greater awareness about the MQA Bursary is

4. 9. WORKER INITIATED TRAINING

This funding is opened to all 5 Unions that operate within the Mine and Minerals to train their members and office bearers on intervention that are aligned to their training and development needs. Funding will be for recognised programmes registered with MQA or other SETAs, NQF registered programme as well non accredited programmes (in house) for capacity building as identified by the Unions.

The Worker Initiated Training is expensed from the Mine Community Development project budget as follows.

No.	Name Of The Union	No. of Learners	Programmes Funded	Amount
1.	NUM	226	• Short Courses, Skills Programmes • Learnerships	R1 million
2.	Solidarity	500	• Short Courses	R1 million
3.	NUMSA	500	• Short Courses	R1 million
4.	AMCU	115	• Short Courses Skills, Programmes • Learnerships	R1 million

4. 10. SOON-TO-BE-RETRENCHED AND RETRENCHED WORKERS

The MQA, through its Strategic Objectives, has made a commitment to provide funding to skill, reskill or upskill soon to be retrenched and retrenched employees of the Mines to avert retrenchments.

For employees who have gone through retrenchments, the MQA will, in partnership/ collaboration with the Mines affected and other relevant stakeholders, provide funding to affected employees for them to be trained on various interventions that seek to ensure sustainability as part of the Section 189 agreement.

For those employees who have just been recently retrenched, the learning programmes would be to enable them to be trained on skills that would make them self-sustainable post retrenchments.

The preferred funding model for this will be co-funding with the affected Mine.

Proposals will be submitted by the affected mine within the sector.

The MQA funded two Mines in the 2025/26 financial year

4. 11. SPECIAL PROJECTS AND PARTNERSHIP MANAGEMENT FRAMEWORKS

The MQA has streamlined its governance approach by merging the 2022 Accounting Authority Approved Framework for Implementing Special Projects and the Partnership Management Framework into a single, consolidated MQA Special Projects Management Framework.

The intention is to clearly simplify oversight and make implementation more efficient and reduce duplication, ensuring consistency in how projects are handled.

The framework will be fully rolled out in the 2026/27 financial year.

This kind of consolidation signals a push for stronger alignment between strategic partnerships and special initiatives, ensuring they're not treated as isolated efforts but as part of a cohesive programme.

4 12. OTHER ADVOCACY INITIATIVES

The MQA participates in the Provincial Skills Development Forums and support initiatives aimed at sustainable development and community empowerment, including the Presidential Imbizos. In conclusion, the Stakeholder Relations Department remains dedicated to its mission of enhancing socio-economic development through targeted interventions and collaborative partnerships. We express gratitude to all stakeholders for their support and participation in our endeavours.

4.13. CUSTOMER SERVICE AND COMMUNICATION

The Customer Service and Communication division is one of the essential pillars of every organisation, as it plays an important role in providing support that enables the entity to operate effectively and efficiently. Within the MQA, the Customer Service and Communication Unit recognised as a key support unit tasked with supporting the core business operations through customer relations and communication-related functions. The deliverables are guided by a five-year approved Communication Strategy and an annual Operational Plan.

The following report provides a comprehensive account of the planned and unplanned activities implemented during the 2025-2026 financial year.

The functions of the 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 serves to close the communication gap between the organisation and its stakeholders, while also enhancing performance and the delivery of customer services. The unit has designed and executed various communication, customer service, marketing, and public relations initiatives aimed at ensuring effective stakeholder engagement and safeguarding the organisation's brand and reputation.

The development and distribution of targeted strategic messages to identified audiences remains central to the unit's mandate. During the year under review, the unit concentrated on the following key deliverables:

COMMUNICATION STRATEGY

The implementation of customer service and communications activities is aligned with the approved 2025-2030 Communication Strategy. The strategy is implemented in line with the MQA Strategic Plan, the DHET Annual Performance Plan (APP), and the allocated budget.

2025-2026 OPERATIONAL PLAN

The 2025-2026 Operational Plan, which aligns with the five-year Communication Strategy was compiled and circulated to management. This was to ensure that the performance milestones were monitored and effectively met. The Operational Plan is updated regularly as activities are implemented.

BUDGET MANAGEMENT

The 2025-2026 Customer Service and Communication deliverables were implemented against the approved budget of R8 490 034, which was later reviewed to R10 440 034. The budget review was as a result of the unit experiencing increased demand on various communication and marketing-related activities from the organisation, and the approved budget was insufficient to accommodate all the increased demand. The total expenditure for the 2025-2026 financial year was R11 636 434.

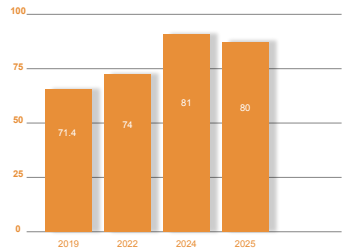
RESEARCH

In line with the Annual Performance Plan (APP) the MQA conducted the 2025-2026 Biennial Stakeholder Perception Survey. The survey was completed with the submission of a detailed report, including the survey feedback and recommendations for improvement. To ensure that the recommendations of the survey are actioned, an Action Plan listing the recommendations was compiled for the respective units to action the required recommendations of the survey during the 2026-2027 financial year.

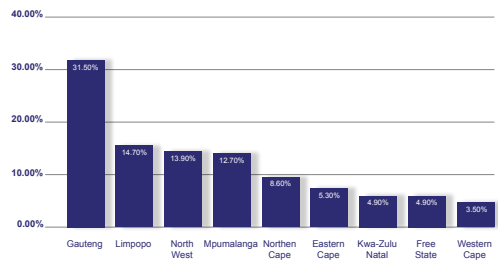
SUMMARY 2025/2026 STAKEHOLDER SATISFACTION SURVEY RESULTS

The stakeholders participated as follows in the 2025-2026 Stakeholder Satisfaction Survey.

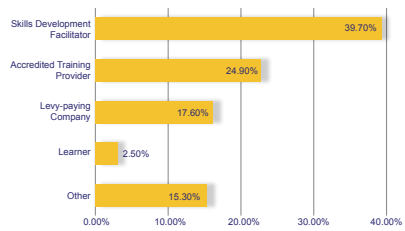
OVERALL SCORES - 2025/2026 SURVEY



PROVINCIAL COVERAGE



STAKEHOLDER GROUPS



STAKEHOLDER GROUPS (OTHER)

Category	Percentage
Other - not specified	44.90%
Consultant/Agent/Stakeholder	14.10%
TVET/Education/Institution Staff	12.80%
Applicant/Learner/Community	11.50%
SETA/Government	7.70%
HR/Company Manager/Supervisor	3.80%
Labour/Union/Association	3.80%

MARKETING AND COMMUNICATION INTERVENTIONS

Event Management

The unit identified planned and unplanned activities that were organised, coordinated and managed by the unit throughout the year. In many instances, the unit supported the organisation with their various unit-respective activities for the success of their events. Below are some of the events and activities which took place during the year under review.

Invest in African Mining Indaba

The MQA successfully participated in the 2026 Invest in Mining Indaba, from 9 to 12 February 2026, hosted at the Cape Town International Convention Centre. Once again stakeholders were enthusiastic, ready to share in the programme that was planned for the event. The event recorded an attendance of at least 12 000 delegates.

The delegates included ministers and government representatives from South Africa and international countries; speakers; thought leaders; chief executive officers from around the world, including the African diaspora; potential mining sector investors; mining sector industry subject matter experts; women empowerment groups; and various youth groups and learners that have chosen careers in mining from various higher education institutions.

Mining Skills Lekgotla and 30-year Celebration

The MQA Mining Skills Lekgotla 2026, held from 26–27 February 2026 at the Gallagher Convention Centre, marked the 30-year anniversary of the Mining Qualifications Authority and was convened under the theme “30 years of Skills Development Excellence - Mining Future Skills for Empowerment – Together.”

The Lekgotla brought together key stakeholders from across the mining, education, government and training sectors to engage on the future of skills development in the mining and minerals industry. Over two days, the programme featured high-level keynote addresses, plenary presentations, panel discussions, industry exhibitions and learner career-guidance engagements.

The attendance planned was 500 per day for each day of the conference, 200 for the gala dinner, 10 exhibitors and 10 schools. The total number of delegates invited as per the database sent to the event management company exceeded 2 000.

The event created a strategic platform to reflect on three decades of skills development achievements, while also identifying the future skills required to support technological advancement, transformation and the Just Energy Transition within the mining sector.

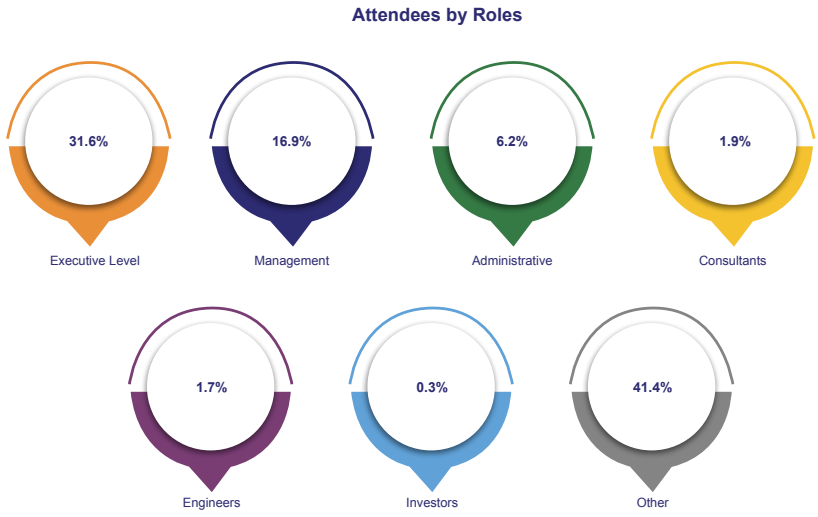
A highlight of the programme was the Recognition of Good Practice Awards Gala Dinner, celebrating organisations and individuals who have made outstanding contributions to skills development and training within the mining and minerals sector. Overall, the Lekgotla reinforced the importance of collaboration between government, industry, organised labour and education institutions in building a sustainable and inclusive mining workforce for the future. The diagram below depicts the categories of attendees by their roles.

WorldSkills South Africa Competition

The MQA successfully participated in the WorldSkills South Africa National Competition, Conference and Career Festival 2026, held from 8 to 12 March 2026 at the Inkosi Albert Luthuli International Convention Centre in Durban. WorldSkills South Africa is a DHET flagship national event aimed at promoting artisan development and vocational excellence. The platform brought together SETAs, industry partners, TVET colleges, and learners.

The MQA actively participated in the exhibition component of the event through an interactive and engaging stand. The MQA's participation ensured that careers in the mining and minerals sector are promoted through the try-a-skill approach to enhance learner engagement. The MQA stakeholders Harmony Gold and Sibanye-Stillwater brought their technological equipment to display to the visiting learners virtual reality training methods.

In recognition of its outstanding customised exhibition look and feel, presence and interactive engagement approach, the MQA was awarded the Best Exhibition Stand Award at the closing ceremony, held on the evening of 12 March 2026. This accolade reflects the MQA's commitment to innovation in stakeholder engagement, as well as its ability to effectively communicate opportunities within the mining sector to a diverse audience.



Annual General Meeting

The MQA successfully convened a 2025 Annual General Meeting (AGM) during the third quarter of the 2025-2026 financial year. The event was held on Friday, 31 October 2025 at the Emperors Palace Convention Centre.

The total number of stakeholders that were planned to attend the event was 200 delegates – with 185 delegates attending. A comprehensive AGM report on the event has been submitted to the Executive team.

International Literacy Day

The Customer Service and Communication Unit supported the Stakeholder Relations Unit with the planning and hosting of the International Literacy Day event held at the Mponeng Cricket Club Stadium in Carletonville on 20 September 2025. The unit assisted with the planning process as part of the co-ordinating team. It also assisted with the paperwork involved in appointing service providers.

On the eve of 20 September 2025, the unit worked with the Stakeholder Relations staff members 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. On the day, the unit promoted the event on various social media platforms and ensured the efficiency of the proceedings in partnership with the unit. A media release was compiled and circulated to various media houses.

Stakeholder Engagement Forums

The Customer Service and Communication Unit supported the Stakeholder Relations Unit with the National Stakeholder Engagement Forums, hosted in all the provinces during November 2025. 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 co-ordinating team. The 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 was also published on all MQA social media platforms and the newsletter.

PRINTED MEDIA

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 twenty-two (22) adverts were published during the year under review which included tenders, marketing, and promotion. Recruitment advertisements were published on the MQA social media platforms.

ELECTRONIC MEDIA

Website Maintenance

During the year under review, the unit continued to do the website content management, with 61 website posts on behalf of the various MQA units. These are mostly updates and corrected information relating to the various business units.

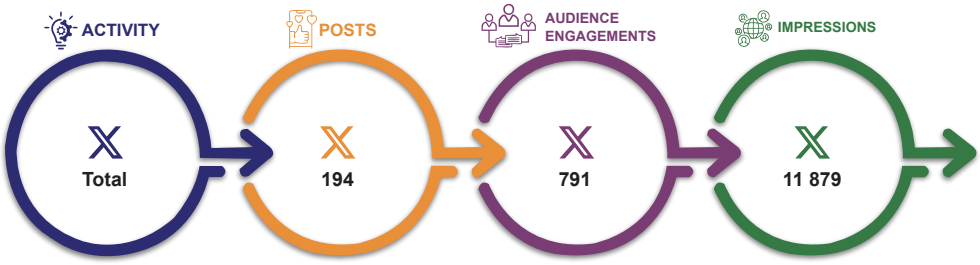
Social Media

The MQA is also active on the social media platforms, as they serve a key communication tool to disseminate key messages and communicate with its stakeholders. The MQA is active on, Facebook, Twitter, Instagram and YouTube.

X (Twitter) Posts, Engagements and Reach

The page followers for the period under review grew to 4 199 compared with 1 030 at the same time last year.

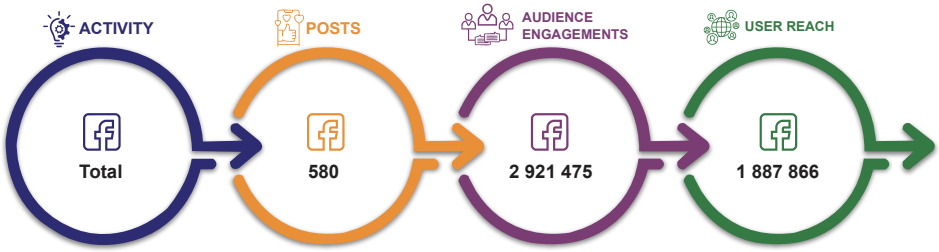
The diagram below depicts the number of posts, audience engagements and impressions for the period under review:



Facebook Posts, Engagements, Reach and Impressions

The page followers for the period under review grew to 60 209 as compared to 10 633 at the same time last year.

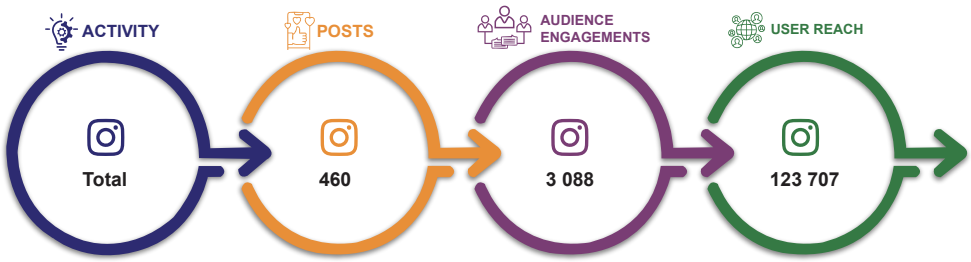
The diagram below depicts the number of posts, audience engagements, user reach and impressions for the period under review:



Instagram Posts, Engagements and Reach

The page followers for the period under review grew to 8 169 as compared to 1 814 last year at the same time.

The diagram below depicts the number of posts, audience engagements, and impressions for the period under review:



YouTube Channel

The MQA YouTube channel grew to a total of 889 subscribers, as compared to 107 subscribers at the same time last year, with 1 725 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 are the 'paid for' boosting services as well as allocating influencers. This is an engagement that will be necessary for the MQA going forward.

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.

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 19 compliments and a total number of 1 655 resolved queries received from the units and recorded onto the CRM system and resolved between 1 April 2025 and 31 March 2026. The total number of email cases uploaded and resolved throughout the quarter is as follows:

FRONTLINE AND TELEPHONE SERVICES

Telephone Services

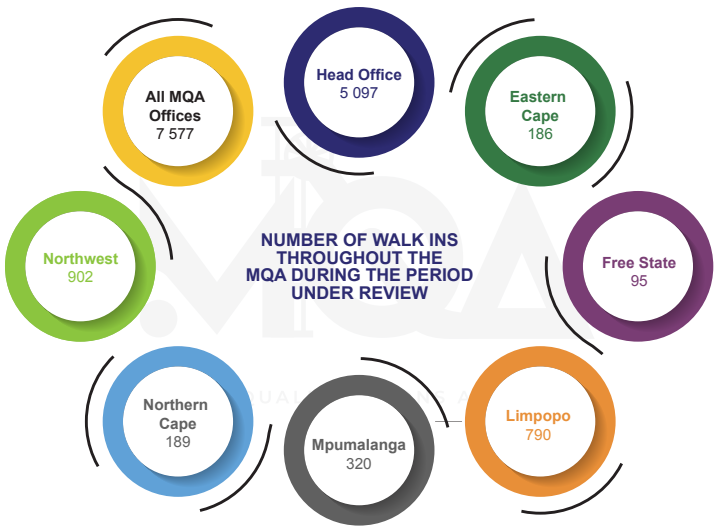
One of the MQA values is professionalism and the frontline staff members are always encouraged to portray daily as they offer customer service to all MQA stakeholders.

The number of telephone calls received as well as those not attended to are monitored through a report, generated by an external service provider, namely Comtech.

During the year under review, the MQA head office received a total number of 147 639. Out of all the calls, a total of 112 206 calls were answered, and 35 432 calls were unanswered.

Frontline 'Walk-in' Report

The number of visitors that access the MQA are monitored through a manual registration system at all MQA receptions. A total number of 7 577 walk-ins, recorded throughout the MQA for the 2025-2026 period were recorded as follows:



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, human resources as well as facilities and office management services. It is through these functions that Corporate Services supports the MQA Accounting Authority 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

Human Resources plays a strategic role in supporting the MQA's mandate by enabling a capable, engaged and high-performing workforce. The HR unit manages and supports the full employee life cycle, including workforce planning, recruitment, organisational development, performance management, learning and development, employee wellness, remuneration support, policy development, employee relations and HR administration.

During the year under review, HR continued to strengthen organisational capability through key strategic and operational initiatives, including HR process automation, succession planning, reward and recognition, onboarding improvements, performance management enhancement, HR policy review, hybrid working implementation, and organisational culture and engagement initiatives.

HUMAN RESOURCES STRATEGIC OBJECTIVES

The report is presented against six HR strategic focus areas: Workforce Planning, Organisational Development, Employee Remuneration and Retention, Governance, Human Resources Administration and Employee Relations.

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 vacancies and recruitment process improvement	HR continued to support organisational capacity through recruitment and placement activities during the reporting period. A total of 31 permanent placements were made. The recruitment environment was further strengthened through the implementation of improved digital processes to support efficiency, tracking and recordkeeping through the ERP system. When a senior management, supervisory or other critical position becomes vacant, the recruitment process is prioritised to ensure that the position is filled as soon as reasonably possible. As a public entity, the MQA follows a prescribed, fair and transparent recruitment process, regardless of whether suitable internal candidates apply. Vacancies may remain open due to factors such as the availability of suitably qualified candidates, employment equity considerations, assessment and interview processes, approval requirements, or the need to readvertise. Every effort is, made to conclude appointments without undue delay. Employees leave the MQA for various reasons, including resignations, dismissals and the expiry of employment contracts. The reasons for employee departures are explored through exit interviews, with resignations primarily attributed to employees pursuing better career opportunities. Where suitable candidates are difficult to source through the normal recruitment process, the MQA may appoint an external service provider to assist with targeted recruitment and the identification of suitably qualified candidates. The replacement of employees is undertaken in accordance with the MQA's approved recruitment policies and procedures
Organisational Development	Succession planning, onboarding improvement and culture enhancement	HR advanced organisational development initiatives aimed at strengthening leadership continuity, employee integration and organisational effectiveness. This included progress on succession planning, related policy and process development, improved onboarding practices, and continued implementation of organisational culture and engagement initiatives.
Employee Remuneration and Retention	Reward and recognition and performance management improvement	HR continued to support employee performance, motivation and retention through the development and enhancement of reward, recognition and performance management practices. Key interventions included the development of supporting frameworks, improved performance management tools and continued initiatives to promote a performance-focused culture.
Governance	HR policy review and development	HR continued to strengthen governance, consistency and compliance through the review and development of HR policies and related frameworks. These interventions support clear, standardised and legally aligned people management practices across the organisation.

Deliverables	Planned Activity	Comment
Human Resources Administration	HR systems, hybrid working and budget administration	HR supported improved administrative efficiency through the implementation and enhancement of digital HR processes, workplace flexibility arrangements and related employee management systems. HR also continued to monitor and administer salary and HR-related expenditure within the approved governance and budget framework.
Employee Relations	Employee engagement, wellness and workplace relations support	HR continued to promote a constructive and supportive workplace environment through employee engagement, wellness support and employee relations interventions. Activities in this area support workplace stability, employee wellbeing and the consistent application of HR policies and procedures.

Personnel Cost per Programme (Permanent, Fixed Term, Temporary Staff and Interns)

Programme Number	Units	Number of Employees	Costs	% Personnel exp Total personnel cost (R'000)
Programme 1	(Support Units/M&E/Strategic planning/Exec)	92	R67 018 389,58	53%
Programme 2	Skills Development & Research	12	R6 463 678,69	5%
Programme 3	LP(Ops/strategic/bursaries)/SRU	65	R37 431 366,90	30%
Programme 4	Quality Assurance	21	R14 889 274,04	12%
TOTAL		**190**	**R125 802 709,21**	**100%**

Personnel Cost per Occupational Level (Permanent, Fixed Term, Temporary Staff and Interns)

Occupational Level	Personnel Expenditure (R'000)	% Of Personnel Exp. to Total Personnel Cost (R'000)	Number Of Employees	Average Personnel Cost Per Employee (R'000)
Top Management	R15 24 4749,97	12%	7	R17 971 815,60
Senior Management	R24 719 452,07	20%	15	R8 386 847,28
Professionally Qualified	R36 533 754,04	29%	36	R3 494 519,70
Skilled Technical	R46 014 257,97	37%	120	R1 048 355,91
Semi-Skilled	R1 668 944,78	1%	5	R25 160 541,84
Unskilled	R1 621 550,38	1%	7	R17 971 815,60
TOTAL	**R125 802 709,2**	**100%**	**190**	**R74 033 895,94**

Performance Rewards (Permanent, Fixed Term, Temporary Staff)

Occupational Level	Performance Rewards	Personnel Expenditure (R'000)	Number of Employees	% Of Performance Rewards to Total Personnel Cost (R'000)
Top Management	R1 422 509,18	R15 244 749,97	5	8%
Senior Management	R3 286 368,03	R24 719 452,07	13	19%
Professionally Qualified	R4 539 886,05	R36 533 754,04	25	26%
Skilled Technical	R7 370 805,97	R46 014 257,97	88	43%
Semi-skilled	R358 220,21	R1 668 944,78	7	2%
Unskilled	R 269 155,71	R1 621 550,38	7	2%
TOTAL	**R17 246 945,15**	**R125 802 709,21**	**145**	**100%**

Training and Development:

Programme/Activity/ Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure As A % Of Personnel Cost	Number Of Employees Trained	Average Training Cost Per Employee
Training and Development	R125 802 709,21	R367 884,00	0,29%	76	R4 840,58
Study Assistance	R125 802 709,21	R2 956 184,00	2,35%	44	R67 186,00
TOTAL		**R3 324 068,00**	**2,64%**	**120**	**R27 700,57**

Employment Vacancies Permanent roles:

Occupational Level	Approved Posts	Number of Employees	Number of Vacancies	% of Vacancies
Top Management	6	5	1	17%
Senior Management	16	15	1	6%
Professionally qualified	36	33	3	8%
Skilled Technical	123	100	23	19%
Semi-skilled	5	5	0	0%
Unskilled	6	6	0	0%
TOTAL	**192**	**164**	**28**	**15%**

Employment Changes : Permanent

Occupational Levels	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	5	1	1	5
Senior Management	14	1	0	15
Professionally qualified	26	10	3	33
Skilled Technical	87	19	6	100
Semi-skilled	7	0	2	5
Unskilled	7	0	1	6
TOTAL	**146**	**31**	**13**	**164**

Reasons for Staff Leaving: All Staff

Reason for Staff Leaving	Number of Employees	Percentage of staff exists
Death	0	0%
Resignation	9	69%
Dismissal	1	8%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	3	23%
TOTAL	**13**	**100%**

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number of Disciplinary Actions
Verbal Warning	3
Written Warning	1
Final Written warning	0
Dismissal	1

Employment Equity Status and Employment Equity Target 31 March 2026

Occupational Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	3	0	0	0	0	0	0
Senior Management	5	5	0	1	0	0	0	1
Professionally Qualified	12	14	0	1	2	1	0	0
Skilled Technical	35	54	2	3	1	2	0	2
Semi-skilled	2	2	0	0	0	0	0	0
Unskilled	2	3	0	0	0	0	0	0
TOTAL	**59**	**81**	**2**	**5**	**3**	**3**	**0**	**3**

Occupational Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	1	1
Senior Management	8	7	1	1	0	0	1	1
Professionally Qualified	17	17	0	1	1	1	1	1
Skilled Technical	61	54	1	3	0	2	0	3
Semi-skilled	2	1	1	1	0	0	0	0
Unskilled	4	4	0	0	0	0	0	0
TOTAL	**93**	**85**	**3**	**6**	**1**	**3**	**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	2	2	0	0
Skilled Technical	2	2	1	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**4**	**4**	**1**	**1**

5.2 LEGAL AND GOVERNANCE

The Legal and Governance Unit continued to provide strategic legal, governance and compliance support to the MQA, ensuring that organisational activities were conducted within the applicable legislative and regulatory framework. The Unit played a key role in promoting sound governance, mitigating legal risk, strengthening contractual oversight, and providing legal advisory services to support informed decision-making across the organisation. During the year under review, the Unit:

- 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; and
- Professional legal service to the organisation.

The Unit remained focused on proactive legal risk management by promoting awareness, strengthening governance processes, and supporting organisational compliance.

Contract Management

Effective contract management remains central to ensuring that the MQA's contractual obligations are properly managed throughout the contract lifecycle. During the year, the Unit reviewed and updated standard agreement templates to align with legal requirements and public sector best practice. The Unit also continued to strengthen the agreement management system to improve contract monitoring, reporting and governance.

Regular contract status reports were provided to business units to monitor contract performance, expiry dates and compliance with contractual obligations. Continuous engagement with business units ensured improved oversight and timely management of contractual commitments.

The number of agreements as per the end user stakeholder group /unit are represented in the Table below:

UNIT	No.	UNIT	No.
SKILLS DEVELOPMENT AND RESEARCH	6	RISK AND COMPLIANCE	4
STRATEGIC PLANNING	3	CORPORATE SERVICES	1
LEARNING PROGRAMMES OPERATIONS	1	CHIEF EXECUTIVE OFFICER	21
LEARNING PROGRAMMES STRATEGIC	1	LEGAL AND GOVERNANCE	8
INFORMATION TECHNOLOGY	15	OFFICE MANAGEMENT	16
FINANCE	1	CUSTOMER RELATIONS AND COMMUNICATION	7
SUPPLY CHAIN MANAGEMENT	1	HUMAN RESOURCES	6
MONITORING AND EVALUATION	6	MQA ACCOUNTING AUTHORITY	1

TOTAL: 98

The Unit continued to facilitate the drafting and review of Memoranda of Understanding (MOUs) to formalise strategic partnerships with stakeholders. These agreements generally establish collaborative relationships where no direct financial obligations exist and often serve as the foundation for future collaboration.

LIST OF MQA MOUs

UNIT	NO.
STAKEHOLDER RELATIONS	2
LEARNING PROGRAMMES STRATEGIC PROJECTS	2
LEARNING PROGRAMMES OPERATIONS	4

TOTAL: 8

Legal Services

The Unit continued to provide legal advisory services across the organisation, offering legal opinions and guidance on governance, compliance, procurement, contracts, labour relations and operational matters. This support enabled business units to make informed decisions while ensuring compliance with applicable legislation and governance requirements.

To strengthen access to specialised legal expertise, the Unit initiated the process of appointing a panel of attorneys to provide external legal opinions and litigation support when required. During the reporting period, the following litigation and labour matters were managed:

NUMBER OF CCMA AND LITIGATION MATTERS

DESCRIPTION	TOTAL	RESOLVED	ONGOING
No. of Litigation Cases	4	2	2
No. of CCMA Cases	2	1	1

Governance and Compliance

The Unit continued to advise management and governance structures on compliance with legislative and regulatory requirements, corporate governance principles and organisational policies. Through ongoing legal guidance and governance oversight, the Unit supported ethical decision-making, strengthened accountability, and contributed to maintaining sound governance practices across the MQA.

5.3 INFORMATION TECHNOLOGY

The Information Technology (IT) Unit serves as a strategic enabler within the organisation, with a core mandate to enhance efficiency, effectiveness, and service delivery through the optimal use of information and technology resources.

During the 2025/2026 financial year, the unit continued to implement its approved Information Technology Master Plan and Enterprise Architecture (EA). The primary focus for the period was the implementation of the Integrated Management Information System (IMIS) and Enterprise Resource Planning (ERP) solution. This integrated platform is designed to automate key organisational processes, encompassing both core operations and support functions, thereby improving overall business performance and operational efficiency.

Key Achievements and Benefits

Significant milestones were achieved during the reporting period. The IT Unit successfully delivered full implementation and automation of all identified Human Resources and Payroll processes, achieving a 100% implementation rate. These processes include:

- People management
- Payroll management
- Performance management
- Declarations and gift register
- Claims processing
- Electronic recruitment

The implementation of these modules has resulted in notable improvements in organisational efficiency, particularly in streamlining approval processes and accelerating workflow turnaround times. Furthermore, the transition from manual to automated processes has significantly reduced reliance on paper-based systems, resulting in measurable cost savings in printing and related services.

In addition to the HR and Payroll modules, the Discretionary Grant (DG) Application System was successfully implemented. The system was initially piloted with the TVET Bursaries programme in September 2025 and subsequently fully deployed for the main DG application window, which went live in February 2026.

This solution delivered several key benefits, including:

Increased volume of applications submitted by the closing date compared to previous years,

Elimination of manual, email-based submissions,

Reduction in printing requirements,

Improved reliability of application submissions by mitigating risks associated with email delivery failures, such as firewall restrictions and attachment size limitations, and

Reduced likelihood of disputes arising from missing or undelivered applications

The appointment of critical resources within the business unit contributed to renewed project momentum, good governance and operational stability. This enabled the completion of key phases within the system development life cycle and strengthened overall project delivery.

Governance and Institutional Strengthening

Beyond system implementation, the IT Unit enhanced its corporate governance capabilities by reviewing and strengthening key policies, frameworks, and strategic plans. Additionally, several governance structures were established or reinforced, including:

- ICT Steering Committee
- ICT Operations Committee
- Project Steering Committee
- Project Board

These structures have improved oversight, accountability, and alignment of ICT initiatives with organisational objectives.

Support to Hybrid Working Model

The IT Unit also played a pivotal role in supporting the organisation's transition to a hybrid working model led by the Human Resources Unit. Through targeted upgrades to infrastructure and security architecture, the unit ensured the availability, reliability, and security of essential tools and systems required for remote work.

This initiative has enabled sustained workforce productivity and operational continuity, while also contributing to cost savings in areas such as telecommunications, internet usage, printing, and stationery. In addition, the hybrid working model has positively impacted employee performance, satisfaction, and overall organisational efficiency.

5.4 FACILITIES AND OFFICE MANAGEMENT

The Facilities and Office Management Unit of the Mining Qualifications Authority (MQA) continues to play a strategic role in supporting organisational effectiveness through the provision and management of safe, functional, compliant and efficient working environments. The unit reports to Executive Management: Corporate Services and is responsible for the management and maintenance of the MQA's built environment and related support infrastructure across Head Office and Regional Offices.

The key functional responsibilities of the unit include:

- Facilities maintenance and technical operations,
- Occupational Health and Safety (OHS) compliance and emergency preparedness,
- Space planning and workplace optimisation,
- Infrastructure and refurbishment project coordination,
- Utility and environmental management,
- Fleet and transport coordination,
- Security and access control coordination,
- Records and office support services, and
- Facilities support to MQA Regional Offices

Strategic Focus

During the 2025/26 financial year, the Facilities and Office Management Unit focused on improving the functionality, safety and operational efficiency of the MQA's office accommodation and support infrastructure. Particular emphasis was placed on internal refurbishment initiatives, compliance improvements and space optimisation within the ageing head office building environment.

The unit further prioritised the improvement of maintenance responsiveness and operational support to Regional Offices to ensure business continuity and acceptable workplace standards across all MQA sites.

In addition, focus was placed on improving records management processes through support for digital transformation initiatives aimed at enhancing document control, records accessibility and information governance within the organisation.

KEY ACHIEVEMENTS

Internal Refurbishments and Space Reconfiguration

The unit successfully implemented a number of internal refurbishment and office improvement initiatives aimed at modernising the workplace environment and improving operational efficiency. These interventions included office reconfigurations, replacement and upgrading of selected finishes and fittings, and improvements to workplace functionality.

In line with organisational growth and evolving operational requirements, space planning initiatives were undertaken to optimise utilisation of available office space and improve departmental accommodation arrangements.

Occupational Health, Safety, Environmental and Compliance Improvements

Significant attention was given to improving compliance with Occupational Health and Safety requirements and applicable South African National Standards (SANS). This included corrective maintenance interventions, upgrading of certain building elements and the implementation of measures aimed at reducing health and safety risks within the workplace environment.

There were no significant health, safety or environmental issues reported during the year under review. The MQA continues to comply with the Occupational Health and Safety Act, 1993 (Act 85 of 1993) and other relevant health, safety and environmental requirements. The necessary measures are in place to maintain a safe working environment and to ensure compliance with applicable legislation and internal requirements. No material health, safety or environmental matters had a significant impact on the operations of the MQA during the reporting period.

The unit continued to monitor compliance requirements relating to emergency preparedness, housekeeping standards and building-related safety matters to ensure that the MQA maintains a safe and compliant working environment for employees and visitors.

Maintenance and Facilities Operations

Routine and reactive maintenance programmes were continuously implemented to support the upkeep and operational functionality of the MQA's facilities and infrastructure. Despite the challenges associated with an ageing building, the unit successfully maintained continuity of critical facilities services through coordinated maintenance planning and contractor management.

The functionality of regional offices was also improved through targeted maintenance interventions and support initiatives aimed at addressing operational facility requirements at the various regional sites.

Records Management and Digital Transformation

During the reporting period, the unit supported initiatives aimed at strengthening records management and improving document control processes within the organisation. Discussions and planning were undertaken regarding the implementation of a fully functional Electronic Document and Records Management System (EDRMS).

The proposed EDRMS solution is intended to improve the organisation's ability to securely manage, retrieve, archive and preserve records in a structured and compliant manner. The initiative is further aimed at reducing reliance on manual and paper-based filing systems, improving operational efficiency, strengthening information governance and supporting business continuity requirements. This initiative remains a strategic priority for the organisation as part of broader efforts to modernise administrative and records management practices.

Utility and Infrastructure Support

The unit continued to manage utility-related risks affecting building operations, including ongoing monitoring of backup power and water supply requirements to support business continuity.

Challenges

The ageing nature of portions of the head office building infrastructure continues to present maintenance and refurbishment challenges, requiring ongoing investment in repairs, upgrades and compliance-related interventions.

In addition, while progress was made in improving regional office functionality, the planned relocation of certain regional offices could not be finalised during the reporting period due to various operational and strategic considerations.

FUTURE FOCUS: 2026/27 FINANCIAL YEAR

In the forthcoming financial year, the Facilities and Office Management Unit will continue to prioritise facilities modernisation, workplace optimisation and compliance improvement initiatives.

Specific focus areas will include:

- Benchmarking with other SETAs and government institutions regarding Regional Office accommodation strategies and relocation models,
- Continued assessment of regional office infrastructure requirements,
- Further office refurbishment and space optimisation projects,
- Ongoing compliance improvements relating to OHS and SANS standards,
- Exploration of sustainable and cost-effective utility management solutions, particularly in relation to backup power requirements,
- Strengthening preventative maintenance planning and lifecycle management practices, and
- Supporting the implementation of an effective Electronic Document and Records Management System (EDRMS).

Conclusion

The Facilities and Office Management Unit remains committed to the effective stewardship of the MQA's facilities and built environment. Through ongoing maintenance, refurbishment, compliance management and operational support initiatives, the unit continues to contribute towards creating a safe, functional and productive workplace that supports the strategic objectives of the MQA.

The unit will continue to pursue continuous improvement, operational excellence and sustainable facilities management practices in support of organisational performance and stakeholder service delivery.

SECTION 6

PFMA COMPLIANCE
SUPPLY CHAIN MANAGEMENT





6. PFMA COMPLIANCE AND SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) Unit is responsible for ensuring the effectiveness and efficiency of the development, maintenance and implementation of an automated procurement system that enables a provisioning system that is aligned to the Supply Chain Management principles espoused in the constitution as an integral part of the broader Management Information System. The function ensures that goods, work, or services are delivered to the right place, in the right quantity, with the right quality, at the right cost and at the right time.

6.1 PROCUREMENT BY OTHER MEANS

No	Project Description	Name of Supplier	Actual Value of Contract	Reason for the Deviation	Award Date	Contract Start Date	Contract Expiry
1.	Request to approve a deviation from the normal SCM processes to utilise MINTEK for the second annual research colloquium.	Mintek	R 14 375,00	Venue offered at no cost, MQA covered incidental expenses such as cleaning after the event.	2025/06/28	2025/07/01	Once Off
2.	Motivation to deviate from normal SCM process by utilizing the sole supplier option to appoint predicate logistics (Pty) Ltd for the license and maintenance agreement renewal of the supply chain management system (iQual.Net)	Predicate Logistics	R 113 547,00	Sole service provider	2025/05/14	2025/05/14	2026/05/13
3.	Motivation to participate in manufacturing Indaba event to be hosted on 15 and 16 July 2025 by manufacturing Indaba (Pty) Ltd	Manufacturing Indaba (Pty)Ltd	R 68 028,25	Sole service provider	2025/07/14	2025/07/15	2025/07/16
4.	Deviation motivation for renewal of convene software licenses renewal & Maintenance	Ability Holdings	R 481 617,70	Sole service provider	2025/07/30	2025/07/30	2026/07/29
5.	Motivation to advertise in the black business quarterly publication during the month of September 2025	Kaqala Media Pty Ltd T/A Cape Media Corporation	R 40 192,50	Sole service provider	2025/08/22	2025/12/01	Once Off
6.	Motivation to advertise in the SA Jewellery news publication to be published by the jewellery council of South Africa during the month of September	SA Jewellery News	R 12 420,00	Sole service provider	2025/08/07	2025/10/01	Once Off
7.	Deviation to appoint Bambisandlasam as a sole contracted provider to provide catering services for the 2025 International Literacy Day Event at Harmony Mines	Bambisandlasam	R 500 200,00	Sole service provider	2025/09/19	2025/09/20	Once Off
8.	Motivation to appoint Solugrowth as a sole provider for support and maintenance of the MQA Information Management System (SIMS)	Solugrowth Pty Ltd	R 4 888 916,62	Sole service provider	2026/03/30	2026/04/01	2027/02/28

6.2 CONTRACT VARIATIONS AND EXPANSIONS

Below are variations or expansions above 15% in terms of the instruction note on Enhancing Compliance, Transparency and Accountability in Supply Chain Management are reported in the annual report

No	Project Description	Name of Supplier	Reason for Expansion or Variation of Contract	Original Contract Value	Value of Contract Expansion or Variation of Contract	Value of Previous Contract Expansion or Variation of Contract	Award Date	Contract Start Date	Contract Expiry
1.	Request for approval of the contract extension for Brilliantel Telecommunication Pty Ltd for the provision of the internet connection services.	Brilliantel Telecommunications	Extension of contract pending the finalisation of the provision of Internet Connection services tender process	R 7 176 211,22	R 967 853,27	R 1 076 431,68	2025/10/08	2025/11/01	2026/04/30
2.	Request for ratification to pay Glenburn Lodge for the Accounting Authority handover meeting	Glenburn Lodge	Anticipated extension of the session.	R 34 600,00	R 37 800,00	R 0,00	2025/06/10	2025/03/27	2025/03/28

6.3 INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

Information on Irregular, Fruitless and Wasteful Expenditure and Material Losses

Reconciliation of irregular expenditure

Description	2025/2026 R'000	2024/2025 R'000
Opening balance	20 913	20 614
Add: Irregular Expenditure confirmed	435	299
Add: Irregular expenditure under assessment	1 213	
Less: Irregular expenditure condoned	-	
Closing balance	**22 561**	**20 913**
Reconciling notes		
Irregular expenditure confirmed	435	
***Irregular expenditure under assessment**	1 213	299
TOTAL	**1 648**	**299**
Details of current and previous year irregular expenditure condoned		
Irregular expenditure condoned	-	-
TOTAL	**-**	**-**
3.4 Reconciliation of fruitless and wasteful expenditure		
Opening balance	19	19
**Additions	1 372	
Less: Fruitless and wasteful expenditure written off		-
Closing balance	**1 391**	**19**
Details of current and previous year irregular expenditure not recovered and written off		
Fruitless and wasteful expenditure written off	-	-
TOTAL	-	-

NOTES:

*The irregular expenditure under assessment - Reconciling notes of amount R1, 213 million, relates to the appointment of the CEO matter currently under assessment and in court.

** The fruitless and wasteful expenditure under - Reconciliation of fruitless and wasteful expenditure 3.4 (Additions) of amount R1, 372 million, relates to interest and penalties incurred for the late submission of COIDA returns dating back to 2016-2017

6.4 BROAD-BASED BLACK ECONOMIC EMPOWERMENT 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 organization: -

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 the Supply Chain Management (SCM) policy of the MQA
Determining qualification criteria for the sale of state-owned enterprises.	No	N/A
Developing the criteria for entering into partnerships with private sector.	Yes	The MQA developed a partnership framework which includes partnerships with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of BBBBEE	Yes	The MQA considers equity imperatives when evaluating supplier bids.

6.5 CONFLICT OF INTEREST

The Mining Qualifications Authority (MQA), as a public entity is required to operate within a strict legislative and regulatory framework. This includes the Public Finance Management Act (PFMA), 1999, and National

Treasury Regulations, both of which emphasise transparency, fairness, and ethical conduct, particularly in procurement and supply chain management.

The MQA has put policy and processes in place to manage conflict of interest in supply chain management as follows:

Declaration of Interest by Bid Committee Members

All members involved in the Bid Specification, Evaluation, and Adjudication Committees are required to declare any potential or actual conflicts of interest in writing before the commencement of each process. This is standard practice aligned with:

- Treasury Regulation 16A8.4 – which addresses ethical conduct in supply chain management (SCM), and
- SCM guidelines issued by National Treasury

If a member:

- Has any financial or personal interest in a bidding company,
- Has a relationship (family, business, or otherwise) with any supplier or bidder, and
- Stands to benefit directly or indirectly from the award of a contract,

They must recuse themselves immediately from participating in that procurement process.

Use of SBD Forms (Standard Bidding Documents)

All bidders and suppliers are required to complete:

- SBD 4 – Declaration of Interest

This allows the MQA to:

- Detect relationships between suppliers and employees,
- Prevent fronting and collusive practices, and
- Ensure the integrity of the process

Code of Conduct and Ethics

As a Schedule 3A Public Entity, the MQA must enforce a Code of Conduct for SCM officials that includes:

- Prohibition of accepting gifts, hospitality, or favours from suppliers,
- Ethical reporting channels for whistleblowing, and
- Disciplinary processes for non-compliance or unethical behaviour.

Segregation of Duties in Bid Committees

The three-committee system (Bid Specification, Evaluation, and Adjudication) ensures that no single individual has undue influence over the entire procurement cycle. Conflict of interest is managed by:

- Assigning different officials to different committees, and
- Ensuring oversight and review by independent parties or the Auitor General.

Internal Audit and Oversight

The MQA's Internal Audit unit and Audit and Risk Committee (ARC) are mandated to:

- Audit SCM processes regularly,
- Conduct internal audits
- Investigate allegations of conflict of interest, and
- Recommend controls to strengthen ethical procurement practices.

The ARC report directly to the Accounting Authority, ensuring independence.

Consequences of Conflict of Interest

Where a conflict is discovered:

- The bid may be cancelled or disqualified,
- Disciplinary or legal action may be taken against the implicated official, and
- Suppliers involved may be blacklisted via the Central Supplier Database (CSD) or National Treasury's restricted suppliers list.

Furthermore, all employees of the MQA are required annually to declare any conflict of interest.

SECTION 7

RISK, MONITORING, EVALUATION AND QUALITY ASSURANCE





7. RISK, MONITORING, EVALUATION AND QUALITY ASSURANCE

The Risk Management and Compliance Function at the Mining Qualifications Authority (MQA) serves as a strategic enabler of good governance, institutional resilience, and sustainable value creation by embedding risk-informed decision-making across the organisation.

Through an integrated assurance approach, the function strengthens organisational capability to anticipate, manage, and respond to risks and opportunities that may impact the achievement of the MQA's mandate, strategic objectives, and stakeholder expectations.

The function provides enterprise-wide oversight and coordination across risk management, compliance management, fraud identification and prevention and quality management systems. This integrated approach ensures that governance processes are proactive, responsive, and aligned to the principles of accountability, transparency, and continuous improvement.

Operating within the legislative framework of the Public Finance Management Act (PFMA), Treasury Regulations, King IV principles, and other applicable regulatory requirements, the function supports the establishment and maintenance of effective systems of risk management, internal control, and compliance. Through continuous risk monitoring, structured assurance activities, and governance reporting, the function enables management and oversight structures to make informed decisions that protect organisational value and strengthen public confidence.

Furthermore, the function promotes a risk-aware and ethical organisational culture by driving compliance accountability, enhancing fraud prevention initiatives, strengthening quality management practices, and facilitating strategic risk assessments that support long-term organisational sustainability.

ISO 9001 : 2015 Certified

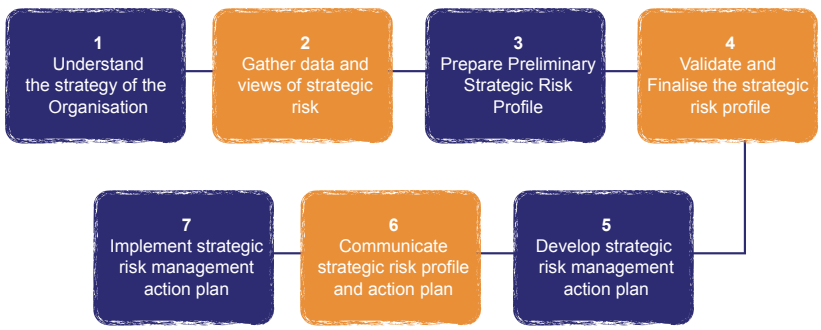
The implementation and maintenance of an ISO 9001:2015 Quality Management System (QMS) provides the MQA with a structured framework for improving organisational effectiveness, strengthening governance practices, and enhancing service delivery across its operations. As a public entity operating within a complex regulatory and stakeholder environment, the adoption of ISO 9001 enables the MQA to standardise processes, improve accountability, and ensure consistent delivery of services aligned to its strategic mandate.

Ultimately, ISO 9001:2015 supports the MQA in achieving improved service delivery, stronger governance outcomes, enhanced customer focus.

7.1 STRATEGIC RISK ASSESSMENT PROCESS

The MQA conducts annual Strategic Risk Assessments (SRA) as a structured process to identify, assess, and prioritise risks that may significantly affect strategy execution and organisational sustainability. The strategic risk process is designed to ensure risk management is embedded within planning cycles and decision-making processes rather than treated as a once-off compliance exercise.

Return Driven Strategy Framework



7.1.1 Anti-Fraud and Corruption strategies

The MQA maintains a zero-tolerance approach to fraud, corruption, unethical conduct and financial misconduct. As a public entity entrusted with public resources, the MQA is committed to promoting an ethical organisational culture, strengthening governance and internal controls, and implementing measures to prevent, detect and respond to fraud and corruption.

The MQA's anti-fraud and corruption framework is supported by key governance instruments, including the Fraud and Corruption Prevention Policy, Fraud Prevention Strategy, Fraud Prevention Plan and Whistleblowing Policy. These instruments establish the principles, responsibilities and measures for managing fraud and corruption risks, promoting ethical conduct, encouraging the reporting of suspected wrongdoing and supporting accountability throughout the organisation.

Allegations of fraud, corruption or other forms of misconduct are assessed and investigated through established governance processes. Where required, investigations are supported by an independent panel of suitably qualified forensic investigators. Investigations are conducted in accordance with applicable legislative and governance requirements, with appropriate corrective action and consequence management implemented where wrongdoing is substantiated. Matters may also be referred to the relevant law-enforcement authorities where appropriate.

7.1.2. Fraud and Corruption Prevention Activities

As part of its commitment to preventing and detecting fraud and corruption, the MQA operates an independent Ethics and Fraud Hotline managed by an external service provider. The hotline is available 24 hours a day, seven days a week, throughout the year, and provides multiple channels through which employees, stakeholders and members of the public can report suspected fraud, corruption or unethical conduct.

All allegations received through the hotline and other reporting channels are appropriately recorded, assessed and managed in accordance with established procedures. The MQA promotes confidential reporting and provides mechanisms intended to protect whistleblowers against victimisation or retaliation.

Where allegations are substantiated, appropriate corrective and consequence-management measures are implemented in accordance with applicable policies and legislation. Where necessary, matters are referred to the relevant law-enforcement or other competent authorities.

The MQA's fraud risk management programme, supported by the Fraud and Corruption Prevention Policy, Fraud Prevention Strategy, Fraud Prevention Plan and Whistleblowing Policy, provides an integrated framework for strengthening preventative controls, promoting ethical behaviour, encouraging the reporting of suspected wrongdoing and reducing the organisation's exposure to fraud and corruption risks.

7.2 MONITORING AND EVALUATION UNIT

Strategy is inextricably linked to monitoring and evaluation. In order to assess the impact and return on investment of the MQA's training programmes within the mining and minerals sector, the Accounting Authority established the Risk Monitoring and Evaluation Unit.

The unit forms an integral part of the MQA's value chain and contributes to organisational strategy, planning, performance monitoring, impact assessment and evaluation. Through monitoring, evaluation and impact studies, the unit enables the organisation to assess the extent to which its skills development interventions are achieving the intended outcomes in the sector.

The key roles and responsibilities of the unit include providing strategic support to the MQA by:

- Monitoring compliance with MQA policies, procedures, applicable legislation and contractual obligations across the organisation and its service providers.
- Validating actual performance against source documents before performance information is submitted and reported to the Executive Authority, and
- Conducting physical, desktop or virtual verification site visits at MQA levy-paying companies and funded projects to confirm the accuracy, existence, completeness and compliance of learner information relating to grant-funded programmes.

The unit adopts a risk-based approach that incorporates findings and recurring issues identified in previous reports. Identified issues are systematically analysed to determine root causes, enabling the design and implementation of adequate and effective controls to address specific challenges and strengthen organisational performance.

This approach includes:

- Conducting evaluations to assess the relevance, effectiveness, efficiency, and sustainability of MQA policies, programmes, and interventions, while ensuring that project methodologies adopted are appropriate and aligned to the achievement of the organisation's strategic objectives, and

- Promoting and enforcing the MQA's zero-tolerance approach to fraud, corruption, maladministration, and unethical conduct, applicable to both internal stakeholders and external parties involved in the skills development value chain.

Project Monitoring

Monitoring is an ongoing process aimed at assessing projects, programmes, and operational activities to ensure that planned deliverables are achieved and performance objectives are met. It provides management with assurance that interventions are being implemented as intended and enables the early identification of deviations requiring corrective action.

In line with this mandate, the unit conducted 221 learner verification exercises to determine whether learners were eligible for grant funding and were receiving training in accordance with approved training plans, Memoranda of Agreement (MoAs), and Service Level Agreements (SLAs) concluded with the MQA

During the 2025/2026 financial year, the Unit successfully monitored thirteen (13) projects as planned, within which a total of 6 108 learners were verified to confirm grant eligibility and training implementation compliance.

Verifications conducted for the financial year 2025/2026:

Learning Programme	GP	NW	LP	NC	MP	KZN	FS	WC	EC	TOTALS
Candidacy Programme	0	0	13	5	0	14	0	0	0	32
Unemployed Youth Development	310	165	225	100	441	325	380	180	295	2421
Mine Community Programme	120	185	470	30	290	340	0	120	150	1705
Work Experience	70	35	37	0	21	46	0	0	0	209
Internship	193	21	128	7	57	45	7	26	0	484
Artisans Development	134	10	81	36	14	0	0	0	0	275
Work Integrated Learning	160	0	0	0	138	95	0	45	199	637
Non-Artisan	207	8	17	5	8	4	0	0	8	257
Workplace Coaches and Mentors	19	0	3	0	0	0	0	0	0	22
HEI Lecturer Support	2	0	9	0	0	3	0	0	0	14
Management Executive Development Programme	4	0	2	0	0	3	0	0	0	9
TVET Internships	14	0	0	0	0	14	13	0	0	41
CET Internships	0	0	0	0	2	0	0	0	0	2
TOTALS	**1233**	**424**	**985**	**183**	**971**	**889**	**400**	**371**	**652**	**6108**

Validations

Annual performance information was validated against evidence submitted by business units in accordance with the approved Technical Indicator Descriptors (TIDs), with the objective of providing first-level assurance on the accuracy, completeness, and credibility of reported performance information.

The 2025/2026 financial year performance assessment reflects the MQA's quantitative performance against core sector skills development targets across both funded and unfunded learning pathways. The validated results, as reflected in the 2025/2026 Monitoring Report, indicate that 100% of the planned targets were achieved during the reporting period.

Tracer's studies and impact analysis

The unit is responsible for conducting tracer studies and value-for-money assessments to evaluate the effectiveness, relevance, and impact of MQA-funded interventions. These studies are aimed at assessing the MQA's contribution to skills development within the mining and minerals sector, as well as evaluating the extent to which grant-funded programmes have contributed towards sector transformation and beneficiary outcomes.

Tracer studies involve tracking former beneficiaries to determine their employment status, career progression, further learning opportunities, and socio-economic outcomes during and after completion of their respective programmes. This process provides evidence-based insights into programme outcomes, sustainability, and the broader impact of MQA-funded interventions.

During the year under review, the Monitoring and Evaluation (M&E) Unit conducted the following three tracking and tracer studies to assess the impact, effectiveness, relevance, and value-for-money of MQA-funded programmes implemented during the 2020/21 to 2024/25 financial years:

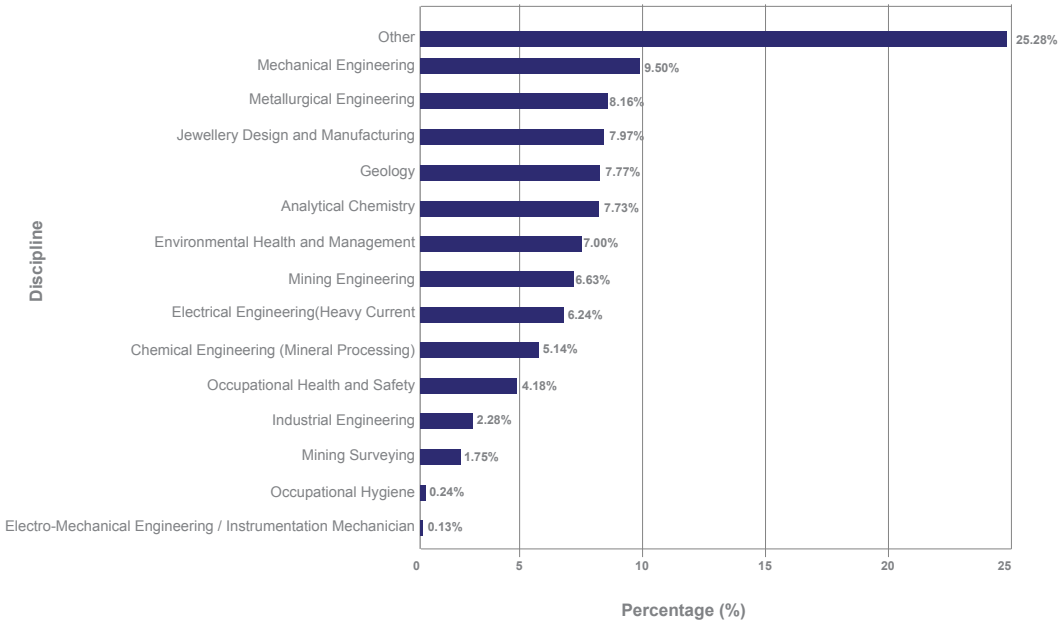
- MQA Bursary Programme
- MQA Internship Programme
- Workplace Coaches / Mentors Programme

Bursary Employment Status





Intern Placement By Qualification



Programme	Key Recommendations
MQA Bursary Programme	• Expand inclusivity, especially for persons with disabilities, through targeted outreach and partnerships. • Integrate the bursary pipeline with internships and workplace coaching to ensure work exposure before graduation. • Embed career guidance and job readiness into the final year of study. • Improve communication and administration via dedicated bursary representatives and a unified digital portal. • Implement predictable monthly disbursements aligned to academic calendars and regional cost-of-living. • Introduce holistic student wellness support (academic, financial, psychosocial). • Support entrepreneurship pathways for graduates who are not immediately absorbed.
MQA Internship Programme	• Close the certification gap by funding statutory licences (GCC, blasting) and extending internships where required. • Standardise mentorship quality using a host employer toolkit, supervisor training, and midterm reviews. • Shift monitoring from compliance to active, developmental site oversight. • Integrate 4IR, digital and ESG skills into all internship placements. • Modernise stipend and grant administration to eliminate delays. • Introduce structured exit strategies, including jobsearch and entrepreneurship support. • Build and maintain a searchable alumni database for postinternship placement.
Workplace Coaches / Mentors Programme	• Fix the learner level data gap to enable proper monitoring, evaluation, and accountability. • Enforce minimum delivery standards at host sites (tools, space, consumables, safety). • Enforce learnertomentor ratios and structured mentor allocation. • Implement a mandatory Train-the-Trainer pathway for all coaches. • Introduce differentiated skills pathways to avoid repeating basic skills for graduates. • Strengthen advanced and digital skills delivery (e.g. CAD) with measurable outcomes. • Recognise entrepreneurship and market access as formal, supported programme outcomes.

7.3 QUALITY ASSURANCE

The Mining Qualifications Authority (MQA), through its Quality Assurance (QA) Unit, performs delegated quality assurance functions within the skills development ecosystem in accordance with the Skills Development Act (Act 97 of 1998). In terms of Chapter 3, Section 10(e) of the Act, the MQA is empowered to perform functions delegated to it by the Quality Council for Trades and Occupations (QCTO), specifically in relation to occupational qualifications and quality assurance responsibilities.

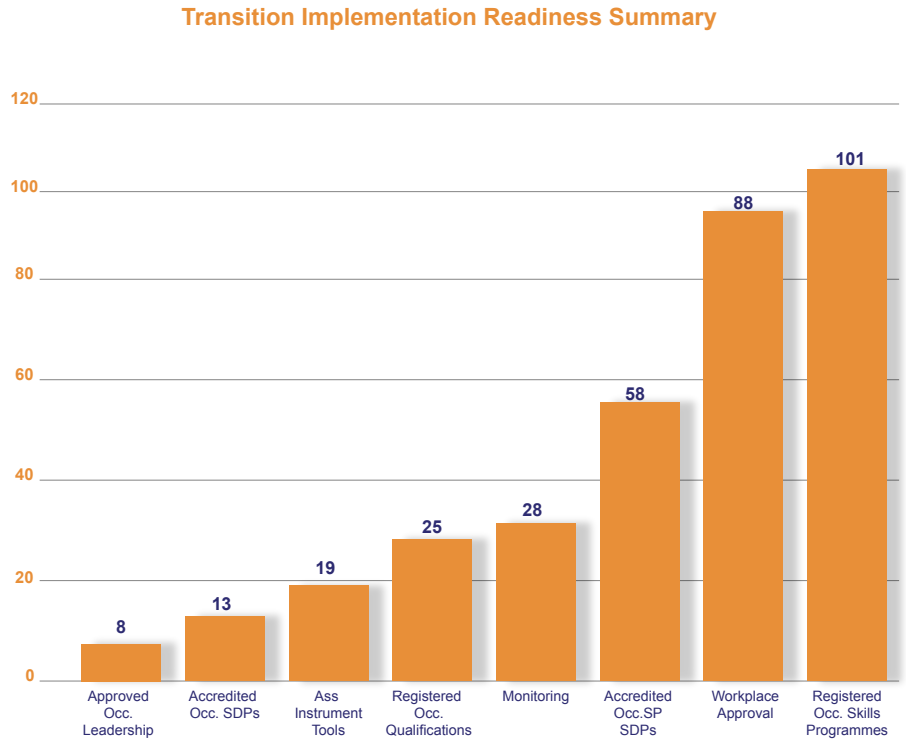
These responsibilities include the development and review of learning programmes, learning materials and assessment instruments, accreditation-related processes, workplace approvals, and the monitoring of learner achievements to support certification processes and learner progression.

The effective execution of these functions is dependent on strong stakeholder collaboration and access to specialised technical expertise across the sector. Accordingly, the MQA continues to leverage industry partnerships and technical specialists to strengthen the integrity, relevance, and quality of occupational learning interventions.

During the period under review, the Ministerial Guidelines for the Implementation and Transitional Arrangements for Pre-2009 Qualifications, as published in Government Gazette No. 51771, were revised to extend the learner enrolment cut-off date to 30 June 2026, while the associated teach-out period was extended to 30 June 2029.

TRANSITIONAL ARRANGEMENTS AND IMPLEMENTATION TOWARDS 30 JUNE 2026

Below is the breakdown on transitional implementation readiness:



Quality Assurance Operational Roles

Key activities undertaken include the registration and management of assessors, verification and recording of learner achievements, uploading learner achievement data onto the National Learners' Records Database (NLRD), and facilitating certification processes for learners who have successfully completed legacy qualifications and skills programmes.

During the period under review 1870 applications received for assessor and moderator registration, a total of 935 assessors with 262 new or re-registrations for assessors, and 673 moderators linked to various skills development providers.

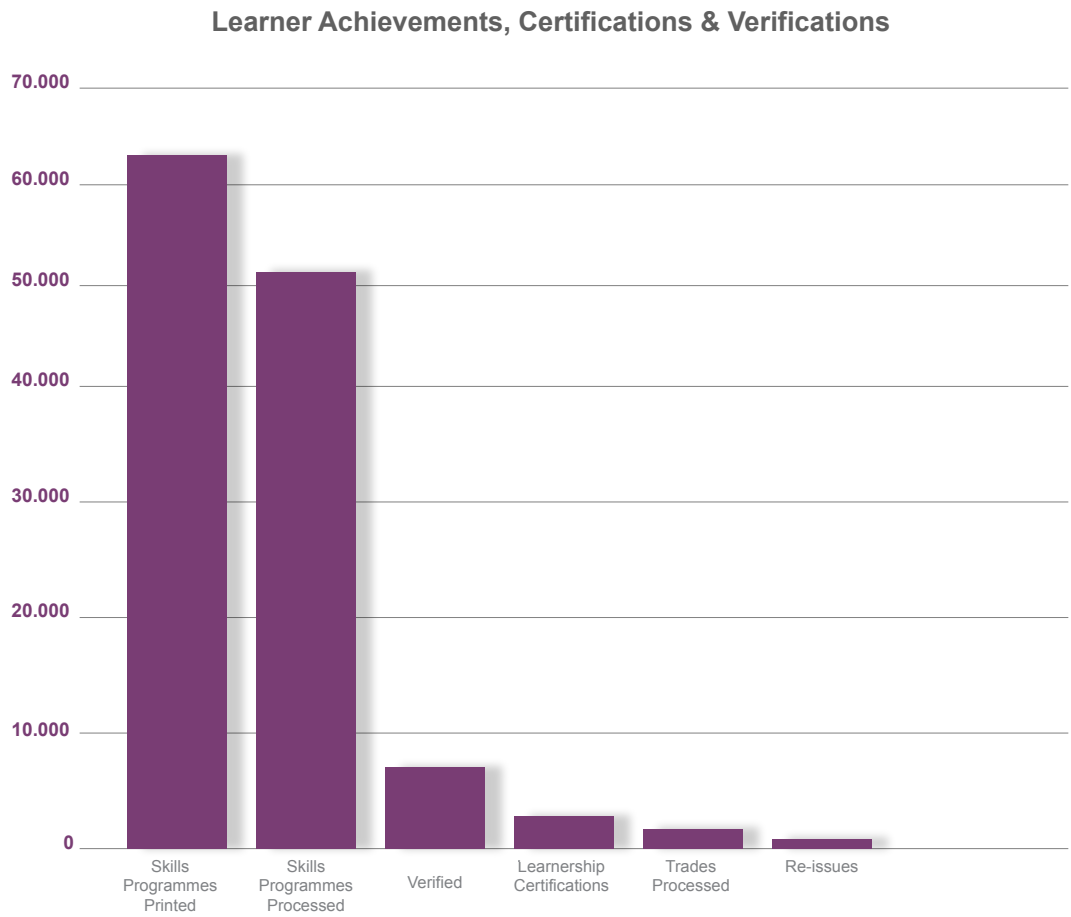
Certifications

The MQA remains committed to its “No Learner Left Behind” approach, which seeks to ensure that learners are adequately supported throughout the learning and certification value chain to maximise successful completion and labour market participation outcomes.

As part of this commitment, the MQA maintains comprehensive learner records and achievement databases to support the management of learner information, facilitate certification processes, and ensure the integrity and accessibility of learner achievements.

Below is the breakdown of various learning programmes processed for learner achievements, certifications and verifications:

Artisan Trades certifications are issued by QCTO through the National Artisan Moderation Body, whilst MQA continued with the processing for 12 trades to Trades Test Centres linked to learners within mining and minerals sector.



7.4. INTERNAL AUDIT FUNCTION: ANNUAL REPORT DISCLOSURE

7.4.1. Purpose and mandate

The purpose of the internal audit function (IAF) is to strengthen MQA's ability to create, protect and sustain value by providing the Audit and Risk Committee (ARC) and management with independent, risk-based and objective assurance, advice, insight and foresight. The function evaluates and recommends improvements to governance, risk management and internal control, and supports achievement of organisational objectives, reliable reporting, compliance, safeguarding of assets and operational effectiveness. Its mandate arises from the Public Finance Management Act and the Treasury Regulations, which require a public entity to maintain an internal audit function under the control and direction of the Audit Committee.

The outsourced Internal Audit Service Provider reports administratively to the Chief Executive Officer, via the Chief Risk Monitoring and Evaluation Officer, and functionally to the ARC. The Charter states that final approval rests with the Board (Accounting Authority), or with the ARC if this authority has been delegated. The Charter is current in content and incorporates the Global Internal Audit Standards; however, the supplied copy contains blank approval and date fields. Accordingly, the documents establish the required approval route but do not, on their own, confirm formal approval by the ARC and endorsement/approval by the Accounting Authority.

7.4.2. Strategy

The IAF's strategic approach is risk based. It uses the MQA risk register, strategic and annual performance plans, risk appetite and tolerance, prior internal and external audit reports, recent organisational developments, control assessments and outstanding findings to direct assurance effort to the areas of greatest significance. Its intended contribution is to enhance governance, risk management, control, accountability and operational performance through timely reporting, effective communication and value-adding recommendations. This approach is aligned with MQA's strategy because audit coverage is expressly linked to MQA's strategic objectives, current operations, planned activities and risk-management strategy.

7.4.3. Charter, methodology and internal audit plans

The Charter requires annual review and requires the IAF to prepare, in consultation with Executive Management and for ARC approval, a rolling three-year strategic internal audit plan, the first-year annual plan and engagement-level scopes. The Annual Internal Audit Plan evidences a risk-based methodology and an annual programme derived from the MQA risk register and strategic and annual performance plans. It also states that the ARC will approve the Charter and the rolling three-year strategic and annual plans.

The supplied annual plan is signed only in the "Engagement Director: Internal Audit Services Preparation" field; the CEO recommendation, ARC Chairperson approval, ARC approval and date fields are blank. The supplied Charter approval page is also unsigned and undated. A separate approved rolling three-year plan or methodology manual was not supplied. Formal review and approval of all four items therefore cannot be conclusively confirmed from the evidence provided. MQA should retain the relevant ARC/Board resolutions, signed approval pages and the approved rolling three-year plan with the annual-report working papers.

7.4.4. Independence and objectivity

The governance arrangements are designed to protect independence and objectivity. The IASP is positioned to work without management interference; has unrestricted access to functions, data, records, systems, property and personnel; has direct access to the ARC; may determine resources, frequency, subject matter, scope and audit techniques; and may not assume operational responsibility. The ARC must concur with appointment or removal of the outsourced provider. The IASP must confirm organisational independence annually and disclose any interference or impairment to the ARC. Auditors may not provide assurance over areas in which they had operational or consulting involvement during the preceding 12 months.

The documents contain no reported instance of interference, scope restriction or impairment of objectivity. They prescribe the process to be followed should one arise, but do not provide a performance report or annual independence declaration confirming that none arose during 2024/2025. No impairment can therefore be identified from the supplied evidence, while an unqualified statement about actual-year operation should be supported by the CAE's annual declaration and ARC records.

7.4.5. Internal audit modality

The MQA operated a fully outsourced internal audit model. MNB Chartered Accountants Inc. was appointed as the external Internal Audit Service Provider. The Engagement Director of MNB was the designated Chief Audit Executive (CAE); the plan identifies Glen Ntuli as the Director. The service-level agreement commenced on signature in November 2022 and provided for a three-year term, unless extended by written agreement at least 30 days before termination. The contractual period was therefore approximately November 2022 to November 2025, subject to any formally approved extension. The Chief Risk Monitoring and Evaluation Officer coordinated and oversaw the outsourced activities and their quality assurance on behalf of MQA. Interim Internal Auditors were appointed in December 2025 to 31 March 2026 to ensure continuity.

7.4.6. Staffing, budget and expenditure

The approved annual plan provided for 1,432 hours at R684,868.32 excluding VAT, VAT of R102,730.25, and a total planned cost of R787,598.57 including VAT

Because the function was fully outsourced, the supplied records do not identify approved, funded, unfunded, vacant or filled MQA internal-audit posts, nor recruitment in progress; these fields are therefore not applicable to an in-house establishment unless MQA maintained separate approved posts outside the records supplied. The provider's planned team comprised a Director, Audit Manager, Assistant Manager and Audit Senior. The SLA required MNB to allocate personnel with the necessary skills and competence, to use suitably qualified and adequately trained personnel, and to provide additional or specialist resources when required and approved. No separate staff-training budget, attendance record or development report was supplied.

7.4.7. Quality Assurance and Improvement Programme

The Charter requires the IASP to establish and maintain a Quality Assurance and Improvement Programme (QAIP) covering all aspects of internal audit, including ongoing monitoring, periodic self-assessments, external assessments, performance measurement, legal/regulatory compliance where applicable, and improvement action plans. Results must be communicated annually to the Board and management. An independent external quality assessment is required at least once every five years, with at least one assessor holding an active Certified Internal Auditor credential.

The Charter confirms the required QAIP framework, while the annual plan includes quality control of individual engagements. The supplied records do not provide the date or outcome of the last internal assessment, the date or outcome of the last external assessment, evidence that identified issues were addressed, or the ARC's annual assessment of IAF performance and stakeholder feedback. These items should be completed from MNB's QAIP report, the external quality assessment report and the relevant ARC minutes before the disclosure is finalised.

7.4.8. Stakeholder relationships

The IAF's key relationships were with the Accounting Authority and ARC for functional oversight and approval; the CEO and Executive Management for administrative support, engagement input, responses and implementation of actions; the Chief Risk Monitoring and Evaluation Officer for coordination, oversight and follow-up; business-unit management and personnel for access to information and operational insight; the Auditor-General of South Africa as external auditor; and other assurance, compliance, risk, monitoring and regulatory providers. The annual plan specifically provides for liaison with management and external audit, participation in committees where control expertise is needed, and coordination of coverage to reduce duplication and improve assurance.

7.4.9. Combined assurance

The Charter positions Internal Audit as an integral part of MQA's combined assurance model and requires coordination with other assurance providers. The IAF must consider the work of external auditors and regulators and coordinate with risk management, compliance, monitoring and evaluation, governance functions and management assurance so that significant risks receive appropriate coverage, duplication is minimised and assurance gaps are reported to the ARC. The ARC conducts internal assessments on an annual basis to assess internal effectiveness.

7.4.10. Value-add

The approved plan was designed to add value through risk-based assurance over governance, risk management, internal controls, information technology and security, performance information, stakeholder relations, grants, supply chain and contract management, financial and human-resource controls, compliance, irregular expenditure and follow-up of audit findings. It also allowed ad-hoc reviews and advisory support when requested. Expected benefits included stronger control design and operation, more reliable performance and financial information, improved compliance and accountability, timely escalation of significant risks, and monitoring of management action plans.

The supplied documents are planning and governance records and do not report completed engagements, findings resolved, savings, control improvements or other quantified accomplishments. Actual value delivered should therefore be supported by quarterly/annual progress reports and the findings follow-up register. To strengthen value further, MQA should maintain risk-linked audit coverage, track agreed actions to closure, integrate internal-audit results into combined assurance, obtain structured stakeholder feedback and use data analytics where feasible.

7.4.11. Limitations

The annual plan notes that audit work is sample based and focused on risks identified in selected areas; it therefore does not provide assurance over every transaction, control or weakness. Effective delivery also depends on timely cooperation and availability of MQA personnel and access to complete information, with delays to be escalated to the CEO and ARC. No actual scope limitation or technology constraint is recorded in the supplied documents.

For annual-report purposes, the principal evidence limitations are the absence of: signed and dated approval pages for the Charter and full annual plan; the approved rolling three-year plan and separate methodology documentation; actual expenditure; annual plan-progress and accomplishment information; independence declarations; QAIP assessment dates and outcomes; the ARC performance assessment; stakeholder feedback; and the combined assurance effectiveness assessment. These missing records restrict the extent to which actual-year effectiveness can be concluded from the supplied documents alone.

7.5. INTERNAL AUDIT FUNCTION

SUMMARY OF WORK PERFORMED AND STATUS OF AUDIT FINDINGS - 2025/26

7.5.1. Planned and completed audits

Prescribed information: Differentiate between assurance and advisory services, indicating planned versus completed audits and percentages.

Overall plan achievement. The approved 2024/25 plan contained 21 activities. As in November 2025, 17 were completed, 3 were in progress and 1 had not started. This equates to 81% completed, 14% in progress and 5% not started, consistent with the MNB progress report.

Assurance services. Sixteen activities were assurance engagements. Thirteen were completed and three were in progress, giving an assurance-engagement completion rate of 81.25%. The engagements in progress were the Supply Chain and Contract Management Review, Follow-up on Prior-period Findings and the Unaudited Financial Statements Review.

Advisory and ad-hoc services. The plan made provision for one ad-hoc review to be undertaken as and when requested by the MQA or Audit and Risk Committee. No request or initiated advisory assignment is recorded; accordingly, 0 of 1 was initiated or completed (0%). No separate planned consulting engagement is listed in the progress report

Governance and administration. Four plan activities related to the Internal Audit Charter, preparation for and attendance at Audit and Risk Committee meetings, and the Strategic and Operational Plan. All four were completed (100%). These activities form part of the total plan but are not counted as assurance engagements.

Category	Planned	Completed	Completion	Status / basis
Assurance engagements	16	13	81.25%	3 in progress
Advisory / ad-hoc provision	1	0	0%	Not started; no request recorded
Governance / adminis-tration	4	4	100%	All completed
Total plan activities	21	17	81%	3 in progress; 1 not started

7.5.2. Ad-hoc projects

Prescribed information: *Indicate the number of ad-hoc projects initiated versus completed.*

Status. The plan included one ad-hoc review allocation, available for requests from the MQA or Audit and Risk Committee. The MNB progress report records the activity as not started. Therefore, ad-hoc projects initiated were 0 and ad-hoc projects completed were 0. The non-performance does not represent a control failure because the assignment was contingent on a request, and no request is recorded in the source documents.

7.5.3. Audits rolled over

Prescribed information: *Provide reasons for audits not being performed and state whether they will be included in the new Internal Audit Plan.*

Status at reporting date. No audit is expressly classified as rolled over in the MNB progress report. Three planned assurance engagements were in progress and at reporting stage as at November 2025: the Supply Chain and Contract Management Review, Follow-up on Prior-period Findings and the Unaudited Financial Statements Review. The report also states that no challenges were experienced in executing planned Internal Audit projects.

Ad-hoc review. The ad-hoc review was not started because it was an as-and-when-required activity and no request is recorded. It should not be treated as a rollover unless the MQA or Audit and Risk Committee subsequently requested an engagement that remained incomplete.

Treatment in the next plan. The three in-progress assignments should first be concluded and reported. If any remained incomplete after the approved completion date, the outstanding scope should be formally carried into the next annual plan, subject to risk reassessment and Audit and Risk Committee approval. The documents do not identify these three assignments as formal rollovers.

7.5.4. Status of audit findings addressed

Prescribed information: *Provide the total findings addressed, not yet due/in progress and not addressed, and comment on recurring findings from the previous three financial years.*

Internal Audit findings. The MNB Q4 progress report records five findings raised during Quarter 3. One from the Performance Information Q3 Review and four from the Facilities Management Review. All five were rated high and remained open for follow-up when the MNB report was issued. The later signed Q4 Risk Assurance Report records fully implemented Internal Audit action plans (100% implementation). On the combined evidence, the five MNB findings are reported as addressed, with no Internal Audit finding reported as in progress or not addressed in the later assurance report.

Recurring findings. Neither the MNB progress report nor the supplied plans identify a numerical total of findings recurring over the preceding three financial years. A recurring-finding total cannot therefore be verified from these documents.

AGSA findings. The signed Q4 Risk Assurance Report records seven AGSA findings: six resolved (85%), one in progress (15%) and none not addressed. The six Information Technology findings comprised five resolved and one in progress; the single Strategic Planning finding was resolved.

Source	No. of findings	Total addressed	Not yet due / in progress	Total not addressed	Recurring findings: last 3 years
IAF findings - Q4	5	5 (100%)	0	0	Not provided in source documents
AGSA findings	7	6 (85%)	1 (15%)	0	Not provided in source documents

MANAGEMENT FOCUS

Audit plan completion. Finalise and issue the three reports that were in progress in November 2025 and formally close the 2024/25 plan through the Audit and Risk Committee.

Findings follow-up. Retain closure evidence and Internal Audit validation for the five Q4 findings reported as implemented, and maintain a consolidated register that distinguishes addressed, not yet due, overdue and recurring matters.

External audit. Prioritise closure of the remaining Information Technology finding relating to the absence of a dedicated Information Security Officer and report final implementation to the Audit and Risk Committee

SECTION 8

REPORT OF THE AUDIT AND RISK COMMITTEE





REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2026.

Background

The Committee is a sub-Committee of the Accounting Authority 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 Accounting Authority.

Terms of Reference

The Committee has adopted formal Terms of Reference (Audit and Risk Committee Charter), which was approved by the Accounting Authority. 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 (AGSA) 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 prescribe 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 (6) times, as per its terms of reference which require a minimum of four meetings per annum. The Committee also convened one (1) special meeting, and two (2) meetings to consider and recommend reports of the Auditor-General for Accounting Authority approval, and Internal Audit reports.

Below are details of meetings held during the year under review:

AUDIT COMMITTEE MEMBERS INFORMATION												
Member	**Constituency**	**Qualifications (Highest)**	**Start Date**	**End Date**	**No. of Ac That Member Served On**	**No. of Gov Structures Member Served On**	**22 May 2025**	**20 June 2025**	**28 July 2026**	**08 Aug 2025**	**29 Sept 2025**	**02 Marc 2026**
*P. Phukubje	Independent	• BCom Accounting • Hons BCompt Acc • Hons/BCom Acc/ CTA	01 April 2021	30 September 2025 & Reappointed as Chair effective 01 January 2026 till 31 December 2028	9	5	√	√	√	√	√	√
C. Weapon	Independent	• Bachelor of Law – B.luris • Bachelor of Laws • BCom Honours in IT • BTech in Policing • M.Tech in Business Systems • Masters in Business Systems • BCom Honours IT • MTech • M Tech Forensic Investigation • Programme in Fraud Examination	10 April 2021	30 September 2025	10	6	√	√	√	√	√	
M. Malope	Independent	• BCom • BCompt • MDP • MBA	01 April 2021	30 September 2025	7	5	√	√	√	√	√	
G. Higgins	Independent	• BCom Accounting • BCom Hons Accounting • CA(SA)	01 January 2026	31 December 2028	13	20	Appointed effective 01 January 2026					√
F. Tshikhudo	Independent	• BCom Accounting • Honours • Postgraduate dip in Accountancy • Postgraduate Dip in Risk Management • BCom law • Master's in business administration	01 January 2026	31 December 2028	8	6	Appointed effective 01 January 2026					√

AUDIT COMMITTEE MEMBERS INFORMATION												
Member	**Constituency**	**Qualifications (Highest)**	**Start Date**	**End Date**	**No. of Ac That Member Served On**	**No. of Gov Structures Member Served On**	**22 May 2025**	**20 June 2025**	**28 July 2026**	**08 Aug 2025**	**29 Sept 2025**	**02 Marc 2026**
A. Latchu	Independent	• PhD • MsC Degree • Honors Degree • BcS IT • Degree: Financial & Internal Auditing • MCSE • MCSD • MCSA • MCDBA	01 January 2026	31 December 2028	5	6	Appointed effective 01 January 2026					Appointed effective 01 January 2026
O. Kgware	Labour	Accounting Authority Member • Advanced Principles: Labour Law	01 January 2026	31 December 2028	1	2 – Board & EXCO	Appointed effective 10 December 2026					√
O. Nkagisang	Employer	Accounting Authority Member • PhD: Industrial Sociology	01 January 2026	31 December 2028	1	2 – Board & GSC	Appointed effective 10 December 2026					√

The above audit committee members are not employees of the State. All members declare any conflict of interest at each meeting attended.

*Chairperson of the Audit & Risk Committee

Chairperson of the Audit and Risk Committee Report

The Members of the Committee have the required 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 Accounting Authority in discharging its oversight responsibilities, which includes 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 Accounting Authority 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 2025/26 Financial Year includes 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 the IT control environment.
- Review of key risk and opportunity management, including mitigation plans;
- 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 Plan were approved by the Committee in accordance with the Internal Auditing Standard 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 that the internal control environment remains strong, both on the financial management and performance information. The MQA has attained the desired audit outcome commonly known as a clean audit for five consecutive years i.e., no material misstatements were noted in the annual financial statements, no material non-compliance with laws and regulations 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 several audit commitments made in the prior year were implemented through the implementation of appropriate corrective actions.

Risk Management

The Accounting Authority 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

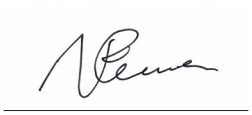
The Committee has amongst others:

- reviewed and discussed the audited annual financial statements and performance report to be included in the annual report with the AGSA, with the Chief Executive Officer and with the 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 presents the financial affairs of the MQA.

The Auditor-General South Africa

The Committee concurs and accepts the conclusions and the unqualified audit opinion with no material findings on the Annual Financial Statements for the year ended 31 March 2026.



Mr Phuthi Phukubje
Chairperson of the Audit & Risk Committee
Date: 31 July 2026

SECTION 9

REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA





Report of the auditor-general to Parliament on the Mining Qualifications Authority

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the Mining Qualifications Authority (MQA) set out on pages 108 to 165, which comprise the statement of financial position as at 31 March 2026, 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 MQA as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1of 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.

Emphasis of matter

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

Restatement of corresponding figure

7. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2025 were restated as a result of an error in the financial statements of the public entity for the year ended 31 March 2026.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

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

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 106, forms part of my auditor's report.

Report on the Audit of the Annual Performance Report

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

13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2026 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
Programme 2: Research	30	To conduct research including impact studies to measure programme responsiveness, relevance and sustainability and to gather empirical-based insights to inform and guide sector skills planning and implementation of skills development interventions in the MMS
Programme 3: Learning Programmes	31	To facilitate opening of workplace-based learning opportunities and access to occupationally directed programmes, facilitate training for stakeholders, communities and entrepreneurs, and support industry collaboration with public college system

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

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

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

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

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

Report on compliance with legislation

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

21. 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.

22. 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.

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

Other information in the Annual Report

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

25. My opinion on the financial statements, and my reports on the audit of the annual performance report and 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.

26. 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.

27. I have nothing to report in this regard.

Internal control deficiencies

28. 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.

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

Auditor – General

Pretoria

31 July 2026

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 as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- 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 the 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
Public Finance Management Act 1 of 1999	Sections51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(i); 53(4); Sections 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Sections55(1)(c)(i); 56(1); 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulations 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulations 16A6.1; 16A6.2(a); 16A6.2(b); Regulations 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulations 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulations16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulations16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulations 16A 9.1(d);16A9.1(e); 16A9.1(f); Regulations 16A9.2; 16A9.2(a)(i); 30.1.1;30.1.3(a); Regulations 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulations 31.2.5; 31.2.7(a); 32.1. 1(a); 32.1.1(b); Regulations 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Sections45(2); 45(3)(a)(it);45(3)(b)(i); 45(3)(b)(ii); Sections45(4); 46(1)(a); 46(1)(b); 46(1)(c); Sections 112(2)(a); 129(7)
Construction Industry Development Board Regulation, 2004	Regulations 17; 25(7A), 25(9)a; 25(10)
National Treasury SCM Instruction Note 4A of2016/17	Paragraph 6
National Treasury SCM Instruction Note 3of 2021/22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction Note 2 of 2021/22	Paragraphs 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 5 of 2009-10	Paragraph 3.3
Practice Note 7of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Sections 1; 2.1(a); 2(1)(b); 2.1(f)
Preferential Procurement Regulations, 2022	Regulations4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

SECTION 10
ANNUAL FINANCIAL STATEMENTS





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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 pages 108 to 165, which have been prepared on the going concern basis were approved by the accounting authority in its meeting of 31 July 2026 and were signed on its behalf by:



Dr Thabo Mashongoane
Chief Executive Officer



Dr Nomusa Zethu Qunta
Chairperson

Mining Qualifications Authority

Annual Financial Statements for the period ended 31 March 2026

Statement of Financial Performance

	Note(s)	2026 R '000	2025 R '000 Restated
Revenue		**1 769 925**	**1 709 151**
Revenue from non-exchange transactions		**1 738 103**	**1 638 337**
Skills development levy income	3	1 703 481	1 617 970
Skills development levy interest and penalties	3	33 319	18 282
Grants recoveries	6	1 303	2 084
Revenue from exchange transactions		**31 821**	**70 814**
Investment income	4	31 656	70 624
Other income	5	165	190
Expenditure		**(1 977 252)**	**(2 153 103)**
Administration expenditure	8	(198 515)	(180 254)
Employer grants and projects expenditure	7	(1 766 156)	(1 961 659)
Transfers to other public entities (QCTO)	9	(12 581)	(11 191)
Loss on disposal of assets and liabilities		(165)	(8)
Deficit		**(207 492)**	**(443 960)**

Mining Qualifications Authority

Annual Financial Statements for the period ended 31 March 2026

Statement of Financial Position

	Note(s)	2026 R '000	2025 R '000 Restated
Total Assets		**513 003**	**787 371**
Non-current assets		**79 106**	**73 080**
Property, plant and equipment	10	60 325	60 678
Intangible assets	11	18 781	12 402
Current assets		**433 896**	**714 291**
Receivables from non-exchange transactions	14	1 213	1 185
Trade and other receivables from exchange transactions	12	8 867	6 555
Inventories	13	661	781
Cash and cash equivalents	15	423 156	705 769
Total Liabilities		**430 556**	**494 781**
Current liabilities		**430 556**	**494 781**
Grants and transfers payable from non-exchange transactions	17	390 388	461 206
Trade and other payables from exchange transactions	18	12 000	6 382
Provisions	19	28 168	27 192
Net Assets		**82 446**	**292 590**
Reserves		**82 446**	**292 590**
Revaluation reserves		23 516	23 516
Administration reserves		55 590	49 564
Mandatory grant reserves		671	346
Discretionary reserves		2 669	219 164

Mining Qualifications Authority

Annual Financial Statements for the period ended 31 March 2026

Statement of Changes in Net Assets

	Note(s)	Reval-uation reserves	Admin-istration reserves	Manda-tory grant reserves	Discre-tionary reserves	Total reserves	Accu-mulated surplus	Total net assets
		R '000	R '000	R '000	R '000	R '000	R '000	R '000
Balance at 01 April 2024 as previously stated		**23 516**	**43 978**	**410**	**670 458**	**738 362**	**-**	**738 362**
Prior period errors discretionary grants expenditure		-	-	-	(1 811)	(1 811)	-	(1 811)
Balance at 01 April 2024 - Restated		**23 516**	**43 978**	**410**	**668 647**	**736 551**	**-**	**736 551**
(Deficit) for 2025 as previously stated		-	-	-	-	-	(443 545)	(443 545)
Allocation of unappropri-ated deficit for 2025 as previously stated		-	22 098	38 240	(503 883)	(443 545)	443 545	-
Prior period errors discre-tionary grants erroneously ommitted		-	-	-	(416)	(416)		(416)
Revaluation surplus realised			-	-	-	-	-	-
Transfer to discretionary reserves		-	(16 512)	(38 304)	54 816	-	-	-
Restated* Balance at 01 April 2025		**23 516**	**49 564**	**346**	**219 164**	**292 590**	**-**	**292 590**
Changes in accounting policy		-	-	-	(2 652)	(2 652)		(2 652)
Restated* Balance at 01 April 2025		**23 516**	**49 564**	**346**	**216 512**	**289 938**	**-**	**289 938**
(Deficit) for the year		-	-	-	-	-	(207 492)	(207 492)
Allocation of unappropriated surplus	2	-	13 456	42 841	(263 789)	(207 492)	207 492	-
Transfer to Discretionary reserves		-	(7 430)	(42 516)	49 946	-	-	-
Balance at 31 March 2026		**23 516**	**55 590**	**671**	**2 669**	**82 447**	**0**	**82 447**

Mining Qualifications Authority

Annual Financial Statements for the period ended 31 March 2026

Cash Flow Statement

	Note(s)	2026 R '000	2025 R '000
Receipts		**1 769 421**	**1 709 561**
Levies, interest and penalties		1 736 657	1 636 468
Interest income		31 784	72 504
Other cash receipts from stakeholders		980	589
Payments		**(2 036 849)**	**(2 024 733)**
Grant and projects		(1 810 391)	(1 802 282)
Cash paid to employees and/or on behalf of employees		(156 092)	(136 156)
Payments to suppliers and others		(70 367)	(86 295)
Net cash flows from operating activities	20	**(267 429)**	**(315 172)**
Cash flows from investing activities		**(13 880)**	**(13 411)**
Purchase of property, plant and equipment	10	(6 287)	(3 379)
Proceed from sale of Property, plant and Equipment		-	-
Purchase of other intangible assets	11	(7 593)	(10 032)
Net cash flows from investing activities		**(13 880)**	**(13 411)**
Net (decrease) in cash and cash equivalents		**(281 308)**	**(328 583)**
Cash and cash equivalents at the beginning of the year		705 770	1 034 353
Cash and cash equivalents at the end of the year - Before Estimated credit loss	15	**424 462**	**705 770**
Estimated credit loss		(1 305)	0
Cash and cash equivalents at the end of the year	15	**423 156**	**705 770**

Mining Qualifications Authority

Annual Financial Statements for the period ended 31 March 2026

Statement of Comparison of Budget and Actual Amounts

Budget and actual amounts on accrual and comparative basis

	Note (s)	Approved and Final Budget (A)	Actual (C)	Variance (C - A)
		R '000	R '000	R '000
Statement of Financial Performance				
Revenue from exchange transactions		**63 082**	**31 821**	**(31 260)**
Other income	30.1	-	165	165
Interest received - investment	30.1	63 082	31 656	(31 425)
Revenue from non-exchange transactions		**1 794 718**	**1 738 103**	**(56 615)**
Grants recoveries	30.1	-	1 303	1 303
Skills Development Levy: Income	30.7	1 794 718	1 703 481	(91 237)
Levy: Interest and penalties	30.1	-	33 319	33 319
Approved Surpluses for utilisation in 2025/26	30.8	220 956	-	(220 956)
Total revenue		**2 078 756**	**1 769 925**	**(308 831)**
Total expenditure		**2 078 756**	**1 977 252**	**(101 504)**
Personnel costs	30.2	126 427	119 071	(7 357)
Transfer to QCTO		12 000	12 581	581
Depreciation and amortisation	30.3	6 088	7 680	1 592
Repairs and maintenance	30.4	2 223	1 625	(599)
Employer grant and project expenditure	30.6	1 847 695	1 766 156	(81 539)
General Expenses	30.5	84 322	70 139	(14 182)
Net Surpluses for utilisation on DG Commitments	30.8	-	-	-
Operating surplus / (deficit)		-	(207 327)	(207 327)
Loss on disposal of assets and liabilities		-	165	165
Surplus / (Deficit) for the year	30.8	**-**	**(207 492)**	**(207 492)**
Statement of Financial Position				
Capital Expenditure	30.3	22 595	13 880	(8 715)

The Minister of Higher Education and Training approved a budget of R 2,078 billion for the period 1 April 2025 to 31 March 2026

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) were indicated.

1.2 Revenue from non-exchange transactions Skills

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:

	2026
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.

Accounting Policies

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.

Accounting Policies

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.

Accounting Policies

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.

Accounting Policies

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

Accounting Policies

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.

Accounting Policies

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.

Accounting Policies

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.

Accounting Policies

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.

Accounting Policies

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 assets 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 - Comparative policy

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.

All financial instruments are measured initially at fair value plus directly attributable transaction costs in the case of financial assets or liabilities not at fair value through profit and loss and subsequently at amortised cost using the effective interest rate method, less impairment losses.

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.

Accounting Policies

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.

Financial liabilities are any liability that is a contractual obligation to the delivery of cash or another financial asset or exchange of financial assets or financial liabilities under conditions that are potentially favourable to the entity.

A financial liability is derecognised when the entity's obligation specified in the contract is extinguished, discharged, cancelled, or expires. Derecognition occurs when the liability is settled through payment, legally released, cancelled by agreement, or when the contractual rights and obligations lapse. Any difference between the carrying amount of the financial liability derecognised and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit in the period in which the liability is extinguished.

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.

1.16 Financial instruments - GRAP 104 (Revised 2019) - Current policy

Applied from 1 April 2025, being the effective date prescribed for the entity by regulation of the Minister of Finance and the applicable Directive (see note 25.2 Changes in accounting policy).

Initial recognition

The MQA recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The MQA recognises financial assets using trade date accounting."

Classification and subsequent measurement

Financial assets

Financial assets Cash and cash equivalents and receivables from exchange transactions are measured at amortised cost because both of the following conditions are met:

Accounting Policies

- These financial assets are held with the objective to collect contractual cash flows; and
- The contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents comprise bank balances, cash on paycard and short-term investments held with the Corporation for Public Deposits (CPD). Cash on paycard represents amounts loaded onto employee payment cards for operational disbursements. Receivables from exchange transactions that are financial instruments comprise study assistance, study advances, sundry debtors and deposits. Prepayments and staff advances are not financial instruments and are excluded from financial instrument measurement and disclosure.

Receivables from non-exchange transactions that are financial instruments comprise discretionary grants. Mandatory and inter-seta receivables are statutory receivables and are excluded from financial instrument measurement and disclosure.

Classification of financial liabilities

The MQA classifies all financial liabilities as subsequently measured at amortised cost. Financial liabilities comprise trade and other payables from exchange transactions, excluding cell phone contract obligations which are finance lease obligations within the scope of GRAP 13.

Measurement

Initial measurement

At initial recognition, the MQA measures receivables from exchange transactions and payables from exchange transactions at their transaction price, as the initial credit period granted or received is consistent with terms used in the public sector, and these instruments do not contain a material financing transaction.

For cash and cash equivalents, the MQA initially measures these at their fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. For demand deposits and short-term investments with the CPD, fair value equals the carrying amount and no adjustment arises.

Write-off

The gross carrying amount of a financial asset is written off when the MQA has no reasonable expectation of recovering the financial asset in its entirety or a proportion thereof. Upon write-off, the MQA directly reduces the gross carrying amount by the approved amount, the loss allowance is reduced by the portion previously recognised for that specific asset, and any remaining difference is recognised immediately in surplus or deficit."

Any amounts previously written off and subsequently recovered are recognised in surplus or deficit when received.

Impairment

The MQA recognises a loss allowance for expected credit losses on all financial assets measured at amortised cost, comprising cash and cash equivalents and receivables from exchange transactions. At each reporting date, the MQA recognises an impairment gain or loss in surplus or deficit for the amount required to adjust the loss allowance to its required balance.

General approach

The MQA applies the general approach to cash and cash equivalents, sundry debtors and to discretionary grants receivable. The sundry debtors are assessed individually under the general approach due to the heterogeneous nature of the underlying transactions and credit risk characteristics giving rise to each receivable balance. At each reporting date, the MQA measures the loss allowance for these financial instruments at an amount equal to:

- 12-month expected credit losses, if the credit risk on that instrument has not increased significantly since initial recognition; or Lifetime expected credit losses, if the credit risk on that instrument has increased significantly since initial recognition.

Accounting Policies

Credit risk

The MQA assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date with the risk of default at the date of initial recognition. This assessment is based on all reasonable and supportable information available without undue cost or effort.

The MQA applies the rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless reasonable and supportable information demonstrates that a significant increase in credit risk has not occurred.

Low credit risk

The MQA considers cash and cash equivalents to have low credit risk when the financial institution's credit rating is equivalent to the globally understood definition of 'investment grade'. Short-term investments with the Corporation for Public Deposits (CPD) are considered to have low credit risk given the CPD's statutory mandate and backing by the South African Reserve Bank. At the reporting date, the MQA's commercial banking institution counterparties (Standard Bank and ABSA) hold Moody's long-term credit ratings of Ba2. The CPD, through the South African sovereign, also holds a Moody's Ba2 long-term credit rating. Although Ba2 falls below the conventional investment-grade threshold, the MQA considers the credit risk on these exposures to be low based on the regulated nature of the counterparties, the absence of any observable credit deterioration, and the short-term demand nature of the deposits."

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or being more than 90 days past due;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

At the reporting date, two individually assessed sundry debtor balances are classified as credit-impaired. The nature of the credit loss events and the quantitative impact are disclosed in the financial instruments risk management note.

Simplified approach

The MQA applies the simplified approach to study assistance and study advance receivables. The MQA always measures the loss allowance for these instruments at an amount equal to lifetime expected credit losses from initial recognition, without assessing whether a significant increase in credit risk has occurred."

Measurement of expected credit losses

The MQA measures expected credit losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The methods and assumptions used to measure expected credit losses, including the ECL model inputs applied to each class of financial asset and the forward-looking information incorporated, are disclosed in the financial instruments risk management note.

Derecognition

Derecognition of financial assets

The MQA derecognises a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived; or
- The MQA transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

Accounting Policies

Derecognition of financial liabilities

The MQA removes a financial liability from its statement of financial position when it is extinguished — that is, when the obligation specified in the contract is discharged, cancelled, expires or waived.

Gains and losses

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Offsetting

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the MQA currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

1.17 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 intangible assets, 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.

1.18 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.

Accounting Policies

1.18 Related Party Transactions (cont)

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 theAnnual Financial Statements to understand the effect of related party transactions on its Annual Financial Statements.

1.19 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.

1.20 Budget Information

The entity is subject to budgetary limits in the form of budget authorisations (or equivalent), which is given effect through authorising legislation.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2025 to 31/03/2026.

The Audited Annual Financial Statements and the budget are on the same basis of accounting therefore a comparison withthe budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.21 Events after reporting date

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

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

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

1.22 Prior period errors

A prior period error occurs when previously issued financial statements contain omissions or misstatements because reliable information available at the time was not properly used. They include mathematical errors, incorrect application of accounting policies, overlooked accruals, or fraud. Material prior period errors are corrected retrospectively by restating comparative figures and adjusting opening accumulated surplus or deficit.

The correction of a material prior period error is processed through opening balances. The MQA is required to disclose the nature of the error, the financial impact of the correction, and any restatement of prior-year figures.

1.23 Taxation

No provision has been made for taxation, as the SETA is exempt from income tax in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962)..

2. Allocation of Net Surplus for the year to Reserves

	Allocation - 2026			
	Total Per Statement of Financial Performance	Administration Funds	Mandatory Grant Funds	Discretionary Grants Funds
	R'000	R'000	R'000	R'000
Total revenue	**1 769 925**	**224 718**	**426 406**	**1 118 801**
Skills development levy: income	**1 736 800**	**224 552**	**426 406**	**1 085 842**
Admin levy income (10.5%)	223 419	223 419	-	-
Public sector levies (DMPR)	1 133	1 133	-	-
Grant levy income (20%)	426 406		426 406	-
Grant levy income (69.5%)	1 052 523		-	1 052 523
Levy: penalties and interest	33 319		-	33 319
Donor, interest and other income	**33 125**	**165**	**-**	**32 960**
Grants recoveries	1 303	-	-	1 303
Investment income	31 656	-	-	31 656
Other income	165	165	-	-
Total expenditure	**1 977 252**	**211 096**	**383 565**	**1 382 591**
Administration expenditure	198 515	198 515	-	-
Transfers to other public entities (QCTO)	12 581	12 581	-	-
Mandatory grants expenditure	383 565	-	383 565	-
Discretionary grants and project expenditure	1 382 591	-	-	1 382 591
Loss on disposal of assets and liabilities	165	165		
Surplus / (deficit) allocated	**(207 492)**	**13 456**	**42 841**	**(263 789)**

2. Allocation of Net Surplus for the year to Reserves

Allocation - 2025				
	Total Per Statement of Financial Performance	Administration Funds	Mandatory Grant Funds	Discretionary Grants Funds
	R'000	R'000	R'000	R'000
Total revenue	**1 709 151**	**213 551**	**400 653**	**1 094 948**
Skills development levy: income	**1 636 253**	**213 361**	**400 653**	**1022 239**
Admin levy income (10.5%)	212 276	212 276	-	-
Grant levy income (20%)	400 653	-	400 653	-
Grant levy income (69.5%)	1 003 957	-	-	1003 957
Levy: penalties and interest	18 282	-	-	18 282
Public sector levies (DMPR)	1 085	1 085	-	-
Donor, interest and other income	**72 898**	**190**	**-**	**72 709**
Grants recoveries	2 084	-	-	2 084
Investment income	70 624	-	-	70 624
Other income	190	190	-	-
Total expenditure	**2 153 103**	**191 444**	**362 413**	**1 599 246**
Administration expenditure	180 254	180 254	-	-
Transfers to other public entities (QCTO)	11 191	11 191	-	-
Mandatory grants expenditure	362 413	-	362 413	-
Discretionary grants and project expenditure	1 599 246	-	-	1 599 246
Loss on disposal of assets and liabilities	8	8		
Surplus / (deficit) allocated	**(443 960)**	**22 098**	**38 240**	**(504 298)**

3. Revenue from non-exchange transactions

	2026 R '000	2025 R '000 Restated
Skills development levy income	**1 703 481**	**1 617 970**
Levy income: Administration	**224 552**	**213 361**
Levies received	224 545	213 383
Levies received from SARS-Admin	223 412	212 298
Public sector levies (DMPR)	1 133	1 085
Inter-SETA transfers in-Admin	-	-
Inter-SETA transfers out-Admin	-	-
Movement in Inter-SETA transfers	7	(22)
Levy income: Employer Grants	**426 406**	**400 653**
Levies received	426 392	400 653
Levies received from SARS-Mand	426 392	400 653
Inter-SETA transfers in-Mand	-	-
Inter-SETA transfers out-Mand	-	
Movement in Inter-SETA transfers	14	-
Levy income: Discretionary Grants	**1 052 523**	**1003 957**
Levies received	1 052 557	1004 061
Levies received from SARS	1 052 557	1004 061
Inter-SETA transfers in	-	-
Inter-SETA transfers out	-	-
Movement in Inter-SETA transfers	(35)	(105)
Interest and penalties : skills development levy income	**33 319**	**18 282**
Levy interest	18 004	8 616
Levy penalties	15 315	9 666

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 R 19 050 194.38 (2025: R45 517 327,80) were paid by SARS to the employer companies.

4. Investment Income

Interest received	**31 656**	**70 624**
	165	190

5. Other income

	8	33
Insurance recoveries	23	154
Learning materials and other recoveries	1	1
Staff recoveries	133	1
Receipts from other entities		

	2026 R'000	2025 R'000 Restated
6. Sundry recoveries		
	1 303	**2 084**
Bursary recoveries	1 044	1 912
SDL recoveries	259	172
7. Employer grants and project expenditure		
Employer grants and projects expenditure	**1 766 156**	**1 961 659**
Mandatory grants expenditure and bad debts	**383 565**	**362 413**
Mandatory grants expenditure	383 452	362 685
Mandatory grants bad debts	113	(273)
Discretionary grants and Project expenditure and bad debts	**1 382 591**	**1 599 246**
A001 – HEI Lecturer Support	37 906	30 622
A002 – Bursaries	281 888	306 574
A003 – Work Experience	117 551	120 232
A004 – Standard Setting	775	70
A005 – Learning Materials (LM) Development	2 228	2 962
A006 – Internships (GDP)	266 228	288 018
A007 – Non - Artisan Learnerships	79 805	119 312
A008 – Skills Development Facilitator Support	491	703
A009 – ABET	9 180	18 541
A010 – OHS Rep Development	6 945	9 923
A013 – MQA Artisan Development	326 781	382 193
A014 – RPL / Artisan Aides - Employed	3 315	4 455
A015 – TVET College Support	98 877	148 075
A017 – FLC Grant Incentive	-	1 165
A019 – Mine Community Development	30 353	23 785
A020 – Workplace Coach Development	26 668	35 640
A021 – Youth Development	31 838	46 395
A022 – Management Development	10 090	11 081
A023 - Artisan RPL	1 190	3 060
A041 HDSA Management Development Candidacy	37 456	32 186
A042 HDSA Accredited Training Provider Support	500	500
A043 – Impact Assessment	1 893	1 269
A044 – Partnership Research	4 232	7 283
A045-Small Business Support	1 490	1 130
A046-In-House Training	2 254	1 066
A047-Short Courses	2 062	1 004
A048-4IR Learnerships	325	2 000
A0049-Partnership-Retrenchees	270	-
Included in Discretionary grants and Project expenditure is:	**33 825**	**32 944**
Administration costs*	**33 825**	**32 944**

*Included in the Administration costs is 94.09% cost of employment (2025: 94,03 %) budgeted and costed under Discretionary grants and Project expenditure.

	Note(s)	2026 R '000	2025 R '000 Restated"
8. Administration expenditure			
Total Administration expenditure		**198 515**	**180 254**
Depreciation, amortisation and impairments		7 680	7 716
Maintenance, repairs and running costs		1 622	1 935
Property and buildings-R&M		1 561	1 798
Machinery and equipment-R&M		61	137
Advertising, marketing and promotions, communication		12 237	10 772
Consulting and professional fees		9 085	13 080
Legal fees		3 330	3 628
Cost of employment	8.1	119 071	100 819
Travel and accommodation		8 571	7 160
Staff training and development		2 592	2 777
Remuneration of Board and committee members		2 174	4 862
Internal audit fees		480	802
External audit fees		3 840	5 245
Printing and Stationery		808	918
Conferences, meetings and seminars		9 966	5 192
Insurance		809	738
Rates & taxes, water, electricity & security		5 238	4 232
Donations & sponsorships		225	169
Rental - operating leases		1 217	1 127
IT expenses		8 789	8 057
Subscription and membership fees		127	181
Other expenses		654	841
8.1 Cost of employment		**110 590**	**94 069**
Basic salaries		56 073	47 462
Performance awards		13 865	13 039
Other non-pensionable allowance		36 666	30 266
Temporary staff		64	335
Leave provision movement		2 900	2 107
SDL		1 022	860
Social contributions		**8 481**	**6 749**
Pension contributions		7 643	6 057
UIF		256	232
Other salary related costs		583	460
		119 071	**100 819**
Average number of employees		182	156

9. Transfers to other public entities

	2026 R '000	2025 R '000
Transfer to QCTO	12 581	11 191

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

	2026			2025		
	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
	97 958	**(37 633)**	**60 325**	**93 520**	**(32 842)**	**60 678**
Office furniture	5 576	(3 553)	2 022	5 727	(3 941)	1 786
Motor vehicles	1 572	(665)	907	999	(596)	403
Office equipment	7 243	(5 782)	1 461	6 965	(5 432)	1 533
Computer equipment	9 717	(6 621)	3 096	8 198	(5 639)	2 559
Fixtures and Fittings	14 168	(11 903)	2 265	12 129	(11 324)	805
Office Building	58 820	(8 572)	50 248	58 820	(5 715)	53 105
Cell phones	864	(537)	327	683	(196)	487

RECONCILIATION - 2026

	Opening carrying amount	Additions	Disposals	Depreciation	Revaluation surplus	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
	60 677	**6 287**	**(173)**	**(6 466)**	**-**	**60 324**
Office furniture	1 786	597	(24)	(336)	-	2 022
Motor vehicles	403	573	-	(69)	-	907
Office equipment	1 533	663	(89)	(645)	-	1 461
Computer equipment	2 559	2 235	(59)	(1 639)	-	3 096
Fixtures and Fittings	805	2 039	-	(579)	-	2 265
Office Building	53 105	-	-	(2 857)	-	50 248
Cell phones	486	181	-	(341)	-	326

RECONCILIATION - 2025

	Opening carrying amount	Additions	Disposals	Depreciation	Revaluation surplus	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
	63 655	**3 379**	**(111)**	**(6 246)**	**-**	**60 677**
Office furniture	1 807	328	-	(349)	-	1 786
Motor vehicles	170	290	-	(58)	-	403
Office equipment	1 824	239	(4)	(526)	-	1 533
Computer equipment	2 250	1 888	(80)	(1 499)	-	2 559
Fixtures and Fittings	1 454	26	-	(675)	-	805
Office Building	55 963	-	-	(2 857)	-	53 105
Cell phones	188	608	(28)	(282)	-	486

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

The intangible assets comprise computer software. There are no restrictions on the title of the intangible assets, and no intangible assets have been pledged as security for liabilities.

	2026			2025		
	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
Computer software	**22 780**	**(3 999)**	**18 781**	**15 188**	**(2 785)**	**12 402**
	22 780	(3 999)	18 781	15 188	(2 785)	12 402

	RECONCILIATION 2026					
	Opening carrying amount	Additions	Disposals	Other changes, movements	Depreciation	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	**12 402**	**7 593**	**-**	**-**	**(1 214)**	**18 781**
	12 402	7 593	-	-	(1 214)	18 781

	RECONCILIATION 2025					
	Opening carrying amount	Additions	Disposals	Other changes, movements	Depreciation	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software	**3 840**	**10 032**	**-**	**-**	**(1 469)**	**12 402**
	3 840	10 032	-	-	(1 469)	12 402

Included within Computer Software is an internally generated intangible asset relating to the development of the MQA Enterprise Resource Planning (ERP) system, with a carrying amount of R17.599 million (2025: R10.032 million). The development of the ERP system commenced on 01/11/2024 and is expected to be completed by 30/11/2026. As at the reporting date, the system remains under development and is not yet available for use. The project comprises several integrated modules, with the major operational modules expected to be implemented during the 2026/27 financial year.

	2026 R '000	2025 R '000
Maintenance, repairs and running costs paid to service providers	**1 622**	**1 935**
Property and buildings-R&M	1 561	1 798
Machinery and equipment-R&M	61	137

12. Receivables from exchange transactions

	2026 R '000	2025 R '000 Restated
	8 867	**6 555**
Staff Advances	370	42
Prepayments	2 401	1 035
Deposits	4	4
Other receivables	4 714	3 966
Interest receivable	1 378	1 508

13. Inventories

Consumable stores	661	781
Recognised as an expense during the year	659	661

14. Receivables from non-exchange transactions

	1 213	**1 185**
Mandatory grants receivables	**340**	**410**
Inter-Seta - Administration	75	75
Inter-Seta - Employer grants	143	143
Inter-Seta - Discretionary	352	352
Discretionary funds receivables	303	206
14.1 Mandatory grants receivables	**340**	**410**
Overpayments to employers	534	497
Provision for doubtful debts	(223)	(110)
Net effect of SARS retrospective adjustments	**311**	**387**
Mandatory grants receivable from other SETAs	29	23
Change in Movement in the statement of financial performance	113	(162)
14.2 Discretionary grants receivables	**303**	**206**
Discretionary funds receivables	23 845	23 749
Provision for doubtful debts - Discretionary Grants	(23 542)	(23 542)
Change in Movement in the statement of financial performance	-	-

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. Furthermore, the Court ruled in favour of the MQA and issued an order for the service provider to pay sum of profits, 10% of the interest and the costs of arbitration. Several attempts were made through the attorneys and sheriffs to recover the debt with no success. The attorneys advised the MQA to liquidate the service provider. 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 534 000 (2025: R 497 000) 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 -R223 000 (2025:-R 110 000) has been raised respectively with the change in movement recognised in the financial performance of R 113 000 (2025:R 273 000).respectively

15. Cash and cash equivalents

	2026 R '000	2025 R '000
	423 156	**705 769**
Cash and cash equivalents - Before Estimated credit loss	**424 461**	**705 769**
Estimated credit loss	(1 305)	-
Cash at bank	72 318	111 636
Cash on paycard	4	7
Cash on paycard and at bank	72 322	111 643
Short-term investments/instruments	352 139	594 126

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 and Training or the Minister of the Department of Mineral & Petroleum Resources, 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.

17. Grants and transfers payable from non-exchange transactions

	2026 R '000	2025 R '000
	390 388	**461 206**
Skills development grants payable - mandatory	4 488	40 606
Skills development grants payable - discretionary	385 899	420 544
Inter-SETA payables - Administration	-	7
Inter-SETA payables - Employer grants	-	14
Inter-SETA payables - Discretionary	-	35

18. Trade and other payables from exchange transactions

	12 000	**6 382**
Trade payables	6 615	4 365
Trade creditors accruals	5 108	1 534
Cell phone contracts obligations	277	483

19. Provisions

Reconciliation of provisions	2026			
	Opening Balance	Utilised during	Addition	Total
	R'000	R'000	R'000	R'000
	27 191	**(16 462)**	**17 438**	**28 167**
SARS Creditors - Administration	424	(107)	88	405
SARS Creditors - Mandatory	809	(204)	168	773
SARS Creditors - Discretionary	2 000	(505)	416	1 911
Administration provisions-Leave	5 362	(2 683)	2 900	5 579
Administration provisions -Bonus	18 596	(12 963)	13 865	19 498

Reconciliation of provisions	2025			
	Opening Balance	Utilised during	Addition	Total
	R'000	R'000	R'000	R'000
	26 218	**(14 842)**	**15 815**	**27 191**
SARS Creditors - Administration	396	(60)	88	424
SARS Creditors - Mandatory	755	(113)	167	809
SARS Creditors - Discretionary	1 867	(281)	414	2 000
Administration provisions-Leave	5 556	(2 301)	2 107	5 362
Administration provisions- Bonus	17 644	(12 087)	13 039	18 596

	2026 R '000	2025 R '000
20. Cash generated from operations		
(Deficit)	(207 492)	(443 960)
Adjustments for:		
Depreciation and amortisation	7 680	7 716
Loss/ (Gain) on sale of assets and liabilities	165	8
Movements in provisions	976	974
Other non-cash items	(1 337)	103
Changes in working capital		
Inventories	120	132
Receivables from exchange transactions	(2 312)	1 075
Other receivables from non-exchange transactions	(28)	(135)
Payables from exchange transactions	5 618	(391)
Transfers payable (non-exchange)	(70 818)	119 308
	(267 428)	**(315 171)**

21. Contingent Liabilities and Assets

21.1 Contingent Liabilities

21.1.1 Mandatory grant reserve

A balance of R671 000 (2025: R 346 000) 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 2026 to claim the mandatory grants after which they expire and will be credited to the discretionary funds in terms of the grants regulations.

21.1.2 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.

21.1.3 Litigations

Contractual disputes with former employees resulted in two claims being lodged against the MQA amounting to R3 365 410.90 (2025: R45 629 791). One claim relates to prior years, while the other arose during the current year. Due to the ongoing nature of the legal proceedings, there is uncertainty regarding the likelihood and timing of any potential outflow of resources.

21.2 Contingent assets

There were no contingent assets identified at the reporting date. Accordingly, no contingent assets have been disclosed in these annual financial statements.

22. 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 2026 were as follows:

	2026 R'000	Restated 2025 R'000
Account balance description		
Total cash and cash equivalents at year-end	424 461	705 769
Plus: Current receivables expected to be collected	10 080	7 740
Less: Current liabilities	(402 388)	(494 781)
Less: Contracted project payments	(982 535)	-
Net available cash surplus / (Deficit)	**(950 382)**	**218 729**

National Treasury updated the surplus calculation methodology during the 2025/26 financial year to incorporate contracted project payments (commitments) as a deduction in determining available surplus funds. Under the previous methodology, such commitments were excluded from the calculation. This change enhances the alignment of surplus assessments with existing contractual obligations and may affect the comparability of current-year surplus figures with those of prior periods.

23. COMMITMENT NOTE AS AT 31 March 2026

	2025/26			
Programmes	**Opening Balances**	**Prior Period Adjustments**	**Restated Opening Balance**	**Closing Balance 31 March 2026**
	R'000	**R'000**	**R'000**	**R'000**
TOTAL	**1 425 849**	**(3 392)**	**1 422 458**	**982 535**
MQA-A001 – HEI Lecturer Support	58 896	-	58 896	85 285
MQA-A002 – Bursaries	54 511	-	54 511	45 915
MQA-A003 – Work Experience	135 007	(572)	134 435	45 611
MQA-A005 – Learning Materials (LM) Development	-	-	-	808
MQA-A006 – Internships (GDP)	301 360	(8 217)	293 144	188 472
MQA-A007 – Non-Artisan Learnerships	84 785	-	84 785	62 785
MQA-A011 – NSF 2 - Artisan Development	-	1 642	1 642	-
MQA-A013 – MQA Artisan Development	505 442	(332)	505 110	417 771
MQA-A015 – TVET College Support	116 815	1 737	118 552	31 663
MQA-A019 – Mine Community Development	45 127	2 350	47 477	18 009
MQA-A020 – Workplace Coach Development	15 120	-	15 120	3 360
MQA-A021 – Youth Development Project	27 010	-	27 010	10 946
MQA-A022 – Management Development	4 988	-	4 988	4 919
MQA-A023 – ARPL	325	-	325	-
MQA-A041 – Candidacy	70 493	-	70 493	59 726
MQA-A044 - Research Partnerships	1 020	-	1 020	939
MQA-A045-Small Business Support	1 950	-	1 950	530
MQA-A048-4IR Learnerships	3 000	-	3 000	3 065
MQA-A049-Special Projects, Partnerships, Infrastructure, Soon to be retrenched & retrenched projects	-	-	-	2 730

24. Irregular, fruitless and wasteful expenditure

	2026	2025
	R'000	R'000
Irregular expenditure	435	299
Fruitless and wasteful expenditure	1 372	19
TOTAL	**1 807**	**318**

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.

25. Financial instruments

25.1 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:

	2026				
	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	423 156	6%	-		423 156
Accounts receivable from exchange transactions	-		8 867	4 years	8 867
Less: Prepayments	-		(2 401)		(2 401)
Accounts receivable from non exchange transactions	-		1 213	2 years	1 213
Less: Inter-Seta receivables	-		(569)		(569)
Less: Mandatory grants receivables	-		(340)		(340)
Total financial assets	**423 156**		**6 769**		**429 925**
Liabilities					
Accounts payable from exchange transactions	-		(12 000)	2 years	(12 000)
Accounts payable from non- exchange transactions	-		(390 388)	2 years	(390 388)
Add: Inter-Seta Payables	-		-		-
Add: Mandatory grants payables	-		4 488		4 488
Total financial liabilities	-		(397 900)		(397 900)
	423 156		**(391 130)**		**32 025**

25. Financial instruments

25.1 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.

	2025				
	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	705 769	8%	-		705 769
Accounts receivable from exchange transactions	-		6 555	4 years	6 555
Less: Prepayments	-		(1 035)		(1 035)
Accounts receivable from non exchange transactions	-		1 185	2 years	1 185
Less: Inter-Seta receivables	-		(569)		(569)
Less: Mandatory grants receivables	-		(410)		(410)
Total financial assets	**705 769**		**5 726**		**711 496**
Liabilities					
Accounts payable from exchange transactions	-		(6 382)	2 years	(6 382)
Accounts payable from non- exchange transactions	-		(461 206)	2 years	(461 206)
Add: Inter-Seta Payables	-		56		56
Add: Mandatory grants payables	-		40 606		40 606
Total financial liabilities	-		(426 926)		(426 926)
	705 769		**(421 200)**		**284 569**

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

	2026	2025
	Fair valued/ Amortised cost	Fair valued/ Amortised cost
	R '000	R '000
Receivables from exchange transactions	8867	6555
Less: Prepayments	(2 401)	(1 035)
Receivables from Non-exchange transactions	1 213	1 185
Less: Inter-Seta receivables	(569)	(569)
Less: Mandatory grants receivables	(340)	(410)
Due 0- 3 Years	**6 769**	**5 726**

Cash and cash equivalents

	2026	2025
	Fair valued/ Amortised cost	Fair valued/ Amortised cost
	R '000	R '000
Not past due	**423 156**	**705 769**

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.

	2026	2025
	Between 0 and 3 years	Between 0 and 3 years
	R '000	R '000
Trade and other payables from exchange transactions	(12 000)	(6 382)
Trade and other payables from non exchange transactions	(390 388)	(461 206)
Add: Inter-Seta Payables	-	56
Add: Mandatory grants payables	4 488	40 606
Due 0-3 Years	**(397 900)**	**(426 926)**

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 and Petroleum Resources, 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.

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	2026	2025
	Amount receivable (payable)	Amount receivable (payable)
	R '000	R '000
	514	**514**
MERSETA	51	51
SERVICES SETA	186	186
HW SETA	104	104
LG SETA	3	3
FASSET	63	63
CETA	106	106

26.2 Other public entities

	2026			
	Write-Off	Debtor	Payable	Commitments
	R '000	R '000	R '000	R '000
	-	**29**	**1 765**	**4 167**
ETDP SETA	-	29	-	-
Mintek	-	-	863	942
Petroleum Agency SA	-	-	415	1 265
Council For Geoscience	-	-	487	1 961

	2025			
	Write-Off	Debtor	Payables	Commitments
	R '000	R '000	R '000	R '000
	-	**23**	**6 593**	**5 331**
ETDP SETA	-	23	-	
Mintek	-	-	5 872	2 711
Petroleum Agency SA	-	-	468	1 370
Council For Geoscience	-	-	253	1 250

Notes to the Annual Financial Statements

26.3 Universities and TVET colleges

	2026		2025	
	R '000	R '000	R '000	R '000
	Amount Payable	Amount committed	Amount Payable	Amount committed
Cape Peninsula University of Technology	4 467	21 407	2 047	19 788
Capricorn TVET College	-	65	40	428
Central University of Technology Free State	262	3 169	562	4 939
Durban University of Technology	4 043	1 311	2 036	1 793
Ekurhuleni East TVET College	2 331	3 511	2 177	7 975
Flavius Mareka TVET College	170	3 685	-24	1 360
Goldfileds TVET College	-	238	42	409
Mangosuthu University of Technology	28	2 343	61	2 441
Mopani South East TVET College	4 673	6 922	2 759	12 279
Nelson Mandela Metropolitan University	65	564	443	1 045
Nkangala TVET College	335	-	65	-
North West University	1 390	5 625	7 022	2 504
Northern Cape Urban TVET College	357	63	651	764
Orbit TVET College	33	475	-60	386
Sekhukhune TVET College	1 529	6 193	1 670	5 356
South West Gauteng College	3 686	7 453	2 695	12 769
University of Johannesburg	24 401	10 608	22 991	19 681
Tshwane University of Technology	17 500	5 617	33 163	7 416
University of Venda	4 290	13 699	4 706	13 908
University of Pretoria	10 515	598	9 038	888
University of Fort Hare	13	61	314	179
University of Stellenbosch	3 841	146	5 568	97
University of KwaZulu Natal	47	547	396	840
University of the Free State	454	2 629	1 146	3 845
University of the Witwatersrand	20 650	3 727	20 224	4 387
University of Limpopo	2 072	6 830	2 613	5 968
Vhembe TVET College	33	1 274	33	377
Walter Sisulu University	6 194	12 088	4 623	3 277
University of the Western Cape	1 164	3 564	1 016	8 012
University of Cape Town	1 977	12 504	5 275	9 495
Maluti TVET College	33	-	33	290
Motheo TVET College	33	-	60	483
Buffalo City TVET College	36	849	-	-
Rhodes University	509	40	354	87
Northern Cape Rural TVET College	-	-	17	1 980
Vaal University of Technology	5 867	6 615	1 485	5 974
Western TVET College	-	933	17	500
University of South Africa	5 442	12 470	7 757	9 005
Gert Sibande TVET College	1 199	1 303	726	1 620
Vuselela TVET College	774	1 909	774	2 348
Central Johannesburg College	36	72	-	11

26.3 Universities and TVET colleges

	2026		2025	
	R '000	R '000	R '000	R '000
	Amount Payable	Amount committed	Amount Payable	Amount committed
Ekurhuleni West TVET College	-	59	5	72
Lephalale TVET College	-	-	36	175
Majuba TVET College	5 235	3 025	3 817	9 903
Nkangala TVET College	218	1 416	854	3 170
Sedibeng TVET College	-	38	-	16
Taletso TVET College	-	-	-	11
King Sabata Dalindyebo TVET	99	-	-	374
West Coast TVET College	1 265	4 296	1 645	6 054
Lovedale TVET College	-	537	33	341
Ingwe TVET College	17	243	-	365
Northlink TVET College	16	28	66	396
College of Cape Town	1 491	1 100	414	2 577
Western College for fet Carletonville	677	-	-	-
Letaba TVET College	2 371	3 123	1 386	8 426
Sefako Makgatho Health Sciences University	540	4 514	683	2 810
Waterberg TVET College	578	296	489	1 471
University of Mpumalanga	881	298	109	433
Tshwane North TVET College	105	315	-	22
Tshwane South TVET College	33	3 295	33	3 458
Sol Plaatje University	-	53	767	25
Enhlanzeni TVET College	-	-	-	49
King Hintsa TVET College	1 475	1 946	800	3 475
Limpopo CET	590	892	223	808
Mpumalanga CET College	89	283	138	685
North West Community Education & Training College	251	743	365	1 560
Ikhala TVET College	1 873	1 792	1 077	6 224
Eastern Cape CET College	532	367	165	799
Umfolozi TVET College	1 155	4 261	1 023	9 642
False Bay TVET College	17	66	103	370
Esayidi TVET College	75	81	117	335
University of Zululand	830	7 514	399	230
KwaZulu Natal CET College	753	702	240	1 074
Free State CET	213	265	299	802
SIR Val Duncan TVET College	-	-	-	-
Western Cape CET College	143	231	203	750
Northern Cape CET College	39	-	39	488
Goldfields TVET College	2 073	1 190	661	4 040
Gauteng CET College	530	853	233	1 056
South Cape TVET College	754	482	-	-
Elangeni TVET College	-	474	-	-
Mnambithi TVET College	168	441	-	-
	155 530	**206 322**	**160 933**	**247 384**

Notes to the Annual Financial Statements

26.4 Board fees

Board member	2026 Fees paid R'000	2025 Fees paid R'000
	1 000	**2 752**
Z Qunta (Chairperson)	234	-
R Motlou	-	262
S Dlamini-Mthethwa	-	20
N Mankge	59	-
N Xengana	132	-
P Mabaso	55	-
F Stehring	9	488
J Van vuuren	8	197
A. Atlee	9	416
V James	141	222
K Netshiombo	-	253
O Kgware	105	329
O Senye	71	325
T Tlhapane	177	240

26.5 Departments

Entity	2026 Amount receivable R '000	Amount payable R '000	Amount Committed R '000
Department of Mineral and Petroleum Resources	-	-	-
	-	-	-

Entity	2025 Amount receivable R '000	Amount payable R '000	Amount Committed R '000
Department of Mineral and Petroleum Resources	-	603	-
	-	603	-

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.

Stakeholder details	Constituency	2026		2025	
		Total amount payable	Total Commitment	Total amount payable	Total Commitment
		R'000	R'000	R'000	R'000
DMPR	State	50	71	37	61
JB Marks	Organised Labour	74	74	44	67
Anglo Gold Ashanti	Organised Employers	-	-	22	22
Harmony Gold Mine	Organised Employers	13	40	-	56
Richards Bay Mining	Organised Employers	13	13	-	-
TOTAL		**151**	**198**	**103**	**207**

26.7 Board sub-committees fees

Committee member	Committee	2026	2025
		Fees paid	Fees paid
		R'000	R'000
		708	**797**
P Phukubje	ARC	188	270
Adv JC Weapond	ARC	81	172
M Sikhosana	ARC	64	121
S Tshukhudo	ARC	12	-
A Latchu	ARC	12	-
G Higgins	ARC	13	
M Malaza	REMCO	298	-
J Boning	REMCO	40	-
Y Mqoboli	REMCO	-	116
I Swafo	REMCO	-	73
L Motsosi	REMCO	-	45

26.8 Executive managers

Initials, Surname and Title(s)	Basic Salaries	Performance Bonuses	Leave Paid Out	Non-Pensionable Alloances	Acting Allowances	Pension Contribution	Totals 2026	Totals 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Dr T. Mashongoane (CEO)	1 624	382	352	834	-	233	3 425	3 062
N.B. Nemagovhani (CRM&EO)	431	234		1 226	-	65	1 956	2 378
M. Mavhungu (EMCS)	941	293	-	1 139	-	147	2 520	2 423
L. Matlala (CFO)	-	-	-	-	-	-	-	3 595
X. Njikelana (ACOO) (COO)	1 583	311	-	501	-	249	2 644	2 440
T. Boikhutso (AEMSR)	-	-	-	-	-	-	-	2 090
S. Xaba (ACRM&EO)	718	288	64	853	111	111	2 145	2 217
Z. Mashinini (AEMSR)	-	-	-	-	-	-	-	1 932
K. Sebudubudu (ACFO) (ACRM&EO)	598	277	-	879	312	92	2 158	2 034
C. Maila (EMSR)	1 068	-	-	785	-	165	2 018	789
E. Brass (CFO)	1 005	-	-	756	-	154	1 915	-
T. Nogxina (EMCEO)	1 987	-	-	22	-	-	2 009	632
J. Modiba (ACRM&EO)	716	254	42	740	111	110	1 973	-
Grand Totals	**10 671**	**2 039**	**458**	**7 735**	**534**	**1 326**	**22 763**	**23 592**

Notes:

Dr T. Mashongoane appointed as CEO effective 01-03-2023

N.B. Nemagovhani appointed CRM&EO effective 01-08-2017, Suspended effective 07-07-2024, terminated 11-09-2025

M. Mavhungu appointed as EMCS effective 01-05-2021

X. Njikelana (Senior Manager: LP) Appointed Acting COO from 01-06-2023 to 31-08-2024, Appointed COO effective 01-09-2024

S. Xaba (Senior Manager M&E) appointed Acting CRM&EO effective 08-07-2024 to 30-06-2025

K. Sebudubudu (Senior Manager Finance) appointed ACFO effective 25-09-2024 to 30-05-2025, then Acting CRM&EO effective 01-07-2025 to 31-12-2025

E. Brass appointed CFO effective 01-06-2025

C. Maila appointed EMSR effective 01-11-2024

J. Modiba appointed (Senior manager Risk and compliance) appointed Acting CRM&EO effective 01-01-2026

T. Nogxina appointed Executive Manager (Office of the CEO) efective 01 December 2024 and terminated 31 March 2026

27. Events after the reporting date

Adjusting events

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

Non-adjusting events

There were no non-adjusting events after the reporting period for the period under 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 futureAnnual Financial Statements.

GRAP 1: Presentation of Financial Statements

The standard was issued in November 2022 and its effective date is not yet determined.

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 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 105: Transfer of Functions Between Entities Under Common Control

The standard was issued in February 2024 and its effective date is not yet determined. The standard prescribes principles and requirements for the acquirer and transferor in a transfer of functions between entities under common control and its effects. A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

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

GRAP 106: Transfer of Functions Between Entities Not Under Common Control

The standard was issued in February 2024 and its effective date is not yet determined. The standard prescribes principles and requirements for the acquirer in a transfer of functions between entities not under common control and its effects. A transfer of functions is the reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.

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

GRAP 107: Mergers

The standard was issued in February 2024 and its effective date is not yet determined. The standard prescribes principles and requirements for the combined entity and combining entities in a merger and its effects. A merger is the establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified

It is expected that the standard will affect future recognition, measurement, presentation and disclosure 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 provide 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.

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 MQA Management assessed the entity's ability to continue as a going concern by considering the approved five years strategic plan and the annual performance plan for the next financial year. This strategic documents outline the budget and the projected Skills development levies revenue. Based on the assessment, management concluded that the entity has adequate resources to continue operating for the foreseeable future.

29. Going concern (cont)

Management has implemented plans to reduce discretionary grant commitments to an acceptable level over the next two financial years.

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 2025 to 31 March 2026.

MATERIAL DIFFERENCES BETWEEN THE BUDGET AND ACTUAL AMOUNTS

30.1 Other Income, Grants recoveries and Levy Interest and penalties

Levy 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 as their cause is incidental.

Interest received - investment was 50% below the budget due to a lower bank balance compared to prior years, and decrease in the interest rates as a result of SARB reducing the Repo rate. The majority of the MQA funds are now invested with the CPD.

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 for capital expenditure by 39% mainly due to extentions for development of some of the ERP system modules. There were also savings from computer equipment and office furniture due to procurement processes that overlapped to the new financial year. Actual expenditure on depreciation was was above budget by 26% due to increase in the value of computer softwares, computer equipment and fixtures and fittings.

30.4 Repairs and maintenance

Expenditure was 27% lower than budget due to reduced diesel refills resulting from a decline in load shedding and electricity interruptions.

30.5 General Expenses

Actual expenditure was below the budget by 16%. There were significant savings on some line items including consultancy & professional fees, external audit fees and internal audit fees.

30.6 Employer grant and project expenditure

95% of the employer grant expenditure budget was spent, the underspending occurred both in Mandatory grants (MG) and Discretionary grants (DG). The MG budget spending was above 97% and the DG was slightly above 94%

30.7 Skills Development Levy: Income

The SDL income was 5% below budget due to lower levy collections than anticipated. Although the percentage variance is relatively small, it amounts to approximately R91 million and was mainly attributable to pressure on sales and production within the mining and minerals sector during the year.

30.8 Approved surpluses

Public entities are not required to accumulate surpluses unless approved by the National Treasury. The MQA received the approval for utilisation of surpluses in 2024/2025 and the surpluses already form part of the reserves. The MQA utlitised and committed the surplus in 2025/2026.

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:

	2025 R '000
31.1 Employer grant and project expenditure (statement of financial performance)	
As previously disclosed	1 961 243
Mandatory grants and Discretionary grants erroneously accounted for and/or omitted	416
Restated amount	**1 961 659**
31.2 Surplus / (Deficit) for the year (statement of financial performance)	
As previously disclosed	(443 544)
Employer grants and project expenditure adjustment above	(416)
Restated amount	**(443 960)**
31.3 Grant and transfer payables from non-exchange (statement of financial position)	
As previously disclosed	458 979
Prior year creditors omission 2023/24	1 812
Prior year accrual erroneously included 2024/25	1
Prior year payables omission 2024/25	415
Prior year accruals erroneously omitted 2023/24	-
Restated amount	**461 206**
31.4 Discretionary reserves (Statement of financial position)	
As previously disclosed	221 392
Expenditure previously omitted 2023/24	(1 812)
Expenditure previously omitted 2024/25	(416)
Restated amount	**219 165**
31.5 Reserves (Statement of financial position)	
As previously disclosed	294 817
Expenditure previously omitted 2023/24	(1 812)
Expenditure previously omitted 2024/25	(416)
Restated amount	**292 590**
31.6 Commitments - Opening Balances (Disclosure notes)	
As previously disclosed	1 425 849
Commitments erroneously included in 2024/2025	(3 392)
Restated amount	**1 422 457**
31.7 Related Parties: Other public entities - Universities and TVET colleges - Committed	
As previously disclosed	244 005
Other public entities - Universities and TVET colleges - Committed previously omitted in 2024/2025	3 379
Restated amount	**247 384**
31.8 Retention of Surplus (Disclosure)	
As previously disclosed	220 956
Expenditure omitted 2024/2025	(2 227)
Restated amount	**218 729**

32. Changes in accounting policy

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year, except for the adoption of GRAP 104 Financial Instruments (revised 2019).

Financial Instruments (GRAP 104, revised 2019)

Nature of change

During the current reporting period, the MQA applied GRAP 104 (revised 2019) for the first time. The revised Standard became effective for the MQA on 1 April 2025.

The revised Standard introduces, inter alia:

- A new classification model for financial assets, based on the MQA's management model for managing financial assets and on the characteristics of the contractual cash flows.
- A new expected credit loss (ECL) model for the impairment of financial assets measured at amortised cost, replacing the previous incurred-loss model.
- The MQA applied GRAP 104 (revised 2019) retrospectively, in accordance with GRAP 3, except as specified otherwise in the transitional provisions. GRAP 104 (revised 2019) was not applied to items that had already been derecognised at the date of initial adoption.
- Despite the requirement to apply GRAP 104 (revised 2019) retrospectively, the MQA was not required to restate prior periods. The MQA did not restate prior periods and recognised any difference between the previous carrying amount (i.e. 31 March 2025) and the carrying amount at the beginning of the reporting period (i.e. 1 April 2025) in the opening accumulated surplus on 1 April 2025.

Classification and measurement — transitional elections

Classification

At the date of initial adoption, the MQA assessed its management model for managing financial assets on the basis of the facts and circumstances that existed at that date. The resulting classification was applied retrospectively, irrespective of the MQA's management model in prior reporting periods.

Cash and cash equivalents were reclassified from fair value to amortised cost.

For demand deposits and CPD investments, fair value equals amortised cost at the date of initial adoption; accordingly, no carrying amount adjustment arose from the reclassification. Receivables from exchange transactions and payables from exchange transactions continued to be classified and measured at amortised cost.

In applying the classification requirements of GRAP 104 (revised 2019) to cash and cash equivalents previously classified at fair value, the MQA assessed that:

the financial assets are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and

the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As both conditions are met, cash and cash equivalents are classified and measured at amortised cost under GRAP 104 (revised 2019). No carrying amount adjustment arose because, for demand deposits and CPD call accounts, the fair value equals the amortised cost at all times.

Impairment — Expected credit losses (ECL)
The MQA applied the impairment requirements retrospectively in accordance with GRAP 3.

Because the MQA did not restate comparative information, applying the impairment requirements retrospectively means the MQA measured impairment losses using expected credit losses as of the date of adoption (1 April 2025). The MQA recognised any difference between the previous loss allowance and the loss allowance at the beginning of the reporting period that includes the date of initial adoption in the opening accumulated surplus of the annual reporting period that includes the date of initial adoption.

At the date of initial adoption, the MQA used reasonable and supportable information available without undue cost or effort to determine the credit risk at the date a financial instrument was initially recognised, and compared that to the credit risk at the date of initial adoption.

When determining whether there has been a significant increase in credit risk since initial recognition, the MQA applied:

The low credit risk exemption for cash and cash equivalents, where the credit risk on each financial institution counterparty was assessed as low at the date of initial adoption based on external credit ratings; and

The rebuttable presumption for contractual payments that are more than 30 days past due for receivables from exchange transactions.

Reconciliation of measurement categories and carrying amounts — at the date of initial adoption (1 April 2025)								
Class of instrument	**Notes**	**Carrying amount (old) — line item R'000**	**Non-FI portion excluded R'000**	**Carrying amount (old) — FI R'000**	**GRAP 104 (2009) category**	**GRAP 104 (2019) category**	**Carrying amount (new) — FI R'000**	**Changes in CA (new – old) FI R'000**
Financial assets								
Cash and cash equivalents	15	705 769	-	705 769	Fair value	Amortised cost	703 429	(2340)
Receivables from non-exchange transactions	14	1 185	(979)	206	Amortised cost	Amortised cost	77	(129)
Receivables from exchange transac-tions	12	6 555	(1 035)	5 520	Amortised cost	Amortised cost	5 337	(183)
Total financial assets		**713 509**	**(2 014)**	**711 495**			**708 843**	**(2 652)**
Financial liabilities								
Payables from exchange transac-tions	18	(6 382)	483	(5 899)	Amortised cost	Amortised cost	(5 899)	-
Payables from Non - exchange transactions	17	(461 206)	40 606	(420 600)	Amortised cost	Amortised cost	(420 600)	-
Total financial liabilities		**(467 588)**	**41 089**	**(426 499)**			**(426 499)**	**-**

Notes to the reconciliation of measurement categories

- Cash and cash equivalents were reclassified from fair value to amortised cost on adoption. For demand deposits and CPD call accounts, fair value equals amortised cost; accordingly, no carrying amount adjustment arose from the reclassification. The change in carrying amount of R2,340,000 relates entirely to the recognition of expected credit losses for the first time, as set out in the impairment reconciliation below.
- No change in measurement category arose on adoption for receivables from exchange transactions or payables from exchange transactions. These instruments were already measured at amortised cost under the previous version of the standard. The change in carrying amount of R183,000 for receivables relates entirely to the recognition of expected credit losses for the first time.
- The non-FI portion excluded from receivables from exchange transactions of R1,035,000 represents prepayments, which are not financial instruments.
- The non-FI portion excluded from payables from exchange transactions of R483,000 represents cell phone contract obligations, which are finance lease obligations within the scope of GRAP 13 (Leases) and are excluded from GRAP 104 (revised 2019).
- Statutory receivables (mandatory grants receivables and inter-SETA receivables) of R979,000 are excluded from non-exchange transactions as the non-FI because they are within the scope of GRAP 108, not GRAP 104 (revised 2019).

Reconciliation of impairment allowances to opening loss allowances — at the date of initial adoption (1 April 2025)

Class of instrument	GRAP 104 (2009) category	GRAP 104 (2019) category	Closing impairment under GRAP 104 (2009) R'000	Adjustments from change in measurement R'000	Difference in opening accumulated surplus R'000	Opening LA under GRAP 104 (revised 2019) R'000
Cash and cash equivalents	Fair value	Amortised cost	-	-	(2 340)	2 340
Receivables from non-exchange transactions	Amortised cost	Amortised cost	(23 542)	-	(129)	23 671
Receivables from exchange transactions	Amortised cost	Amortised cost	-	-	(183)	183
Total			**(23 542)**	**-**	**(2 652)**	**26 194**

Notes to the reconciliation of impairment allowances

- No impairment provision was recognised under GRAP 104 (2009) for cash and cash equivalents or for receivables from exchange transactions at 31 March 2025. The full opening ECL loss allowance at 1 April 2025, therefore, represents a new debit to opening accumulated surplus.
- The reclassification of cash and cash equivalents from fair value to amortised cost did not give rise to any adjustment in the impairment reconciliation, as fair value equals amortised cost for demand deposits and CPD call accounts. The measurement change and the impairment change are separate: the classification change produced a nil carrying amount difference, while the ECL impairment requirements produced a loss allowance of R2,340,443.
- The opening loss allowance for receivables from exchange transactions of R182,728 comprises study advances and study assistance (R39,133 under the simplified approach) and sundry debtors (R143,595 under the general approach, relating to two individually credit-impaired balances).
- The opening loss allowance for cash and cash equivalents of R2,340,443 was measured on a 12-month ECL basis under the general approach. All cash balances were assessed as low credit risk at the date of initial adoption based on external credit ratings of the financial institution counterparties.
- The difference recognised in opening accumulated surplus represents the net effect of applying the ECL impairment requirements for the first time, compared to the previous incurred-loss model under which no impairment provision had been recognised.

Summary of the effect on the accumulated surplus

As a result of applying GRAP 104 (revised 2019), the MQA recognised a net decrease of R2,523,000 in opening accumulated surplus at 1 April 2025, comprising:

- Rnil from changes in classification or measurement categories (the reclassification of cash and cash equivalents from fair value to amortised cost produced no carrying amount adjustment, as fair value equals amortised cost for demand deposits and CPD call accounts); and
- A decrease of R2,652,000 from applying the expected credit loss impairment requirements rather than the previous incurred-loss model (cash and cash equivalents: R2,340,000; receivables from exchange transactions: R183,000; receivables from non-exchange transactions: R129,000).
- The statement of changes in net assets reflects the net adjustment of R2,652,000 as a debit to opening accumulated surplus at 1 April 2025.

Risk Management and Other Disclosures

Categories of financial instruments

Carrying amounts of financial assets

Class	Note	At amortised cost 2026 R'000	At amortised cost 2025 R'000
Cash and cash equivalents	15	423 156	705 769
Receivables from non-exchange transactions	14	303	206
Receivables from exchange transactions	12	6 466	5 520
Total carrying amounts		**429 925**	**711 495**

Carrying amounts of financial liabilities

Class	Note	At amortised cost 2026 R'000	At amortised cost 2025 R'000
Payables from exchange transactions	18	11 723	5 899
Payables from Non - exchange transactions	17	385 899	420 600
Total carrying amounts		**397 623**	**426 499**

The carrying amounts of financial instruments measured at amortised cost approximate their fair values due to the short-term maturity of these instruments.

Nature and extent of risks arising from financial instruments

The MQA is exposed to the following risks from its use of financial instruments in the normal course of its operations:

- Credit risk
- Liquidity risk
- Interest rate risk

This note presents information on the MQA's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risks. The Accounting Authority and executive management are responsible for establishing and overseeing the MQA's risk management framework. The MQA has developed a comprehensive risk strategy in order to monitor and control these risks.

Credit risk

Scope and objectives

Credit risk is the risk of a counterparty to a financial instrument defaulting on its obligation to the MQA, thereby causing financial loss. The MQA's exposure to credit risk arises primarily from cash and cash equivalents held with the Corporation for Public Deposits (CPD) and commercial banking institutions, and from receivables from exchange transactions comprising study assistance, study advances, sundry debtors and deposits.

The MQA limits its counterparty exposure by only dealing with well-established financial institutions approved by the National Treasury. The Accounting Authority continuously monitors the MQA's exposure. The MQA invests surplus funds with the Corporation for Public Deposits in accordance with Treasury Regulation 31.3.

There have been no significant changes in the MQA's exposure to credit risk or in its objectives, policies and processes for managing credit risk during the reporting period.

The credit risk management practice

Methods, assumptions and information used to measure ECL

Receivables from exchange transactions — study advances and study assistance (simplified approach)

Study assistance and study advance balances are assessed using the simplified approach, with ECL measured at lifetime expected credit losses from initial recognition. Given their shared obligor (current employees), shared recovery mechanism (payroll deductions) and similar contractual terms, these exposures are grouped on a combined basis.

The ECL is calculated as the exposure at default multiplied by a discounted loss rate. The exposure at default is determined after deducting the portion of the balance covered by guaranteed payroll recovery, calculated using the South African national minimum wage as a conservative proxy. The probability of default is derived from the MQA's average employee termination rate observed over the preceding four financial years, compounded with an external consumer default index to reflect the conditional probability of non-repayment following employment termination. The loss given default is based on external benchmark recovery rates for unsecured personal loan portfolios from a large South African banking institution, consistent with the unsecured nature of any remaining obligation after employment termination.

Management's historical data indicate that study assistance balances typically remain outstanding for two to three years. Based on these observed settlement patterns, the ECL model uses an empirical lifetime default assumption of three years. For non-interest-bearing receivables, the expected cash shortfalls are discounted at the prime lending rate at each reporting date (10.25% at 31 March 2026; 11% at 31 March 2025).

Management confirmed that there is no history of write-offs relating to study assistance or study advances. Empirical evidence indicates full recovery of outstanding balances upon resignation or de-registration through final salary and bonus deductions, as well as honoured acknowledgements of debt recovered via payroll deductions.

Receivables from exchange transactions — sundry debtors (general approach)

Sundry debtors are assessed using the general approach. Due to the heterogeneous nature of these balances, including differing underlying transactions and credit risk characteristics, the sundry debtors are assessed on an individual basis.

Two individually significant sundry debtor balances have been assessed as credit-impaired at both reporting dates and are accordingly measured at lifetime ECL with a loss rate of 100%. One balance relates to a court-awarded settlement amount that is considered likely prescribed, with no repayments received since May 2022. The other relates to excess travel claims arising from an external audit finding, where management has indicated that no further recoveries are expected and that there is an intention to write off the balance.

The remaining sundry debtors, comprising miscellaneous smaller receivable balances and a rental deposit, have gross carrying amounts assessed as immaterial to the financial statements as a whole. A stress test confirmed that even a 100% impairment of these balances would not result in a material misstatement. Accordingly, no loss allowance has been recognised for these balances.

Receivables from non-exchange transactions — discretionary grants (general approach)

The General Model (three-stage approach) is applied to discretionary grant receivables.

- Stage 1 (12-month ECL): Applied to low-risk debtors
- Stage 3 (Lifetime ECL): Applied to credit-impaired debtors

For unrated corporate counterparties, the PD is benchmarked against S&P-equivalent ratings (e.g., "B-" for Pongola Security) or assigned 100% where default has occurred. Benchmarked against Moody's estimates for unsecured corporate exposures (62.40%) or historical recovery data. No separate macroeconomic overlay was applied as the base default rates (external ratings) already embed forward-looking elements across economic cycles.

Expected cash shortfalls for non-interest-bearing receivables are discounted using the prime lending rate (10.25% as at 31 March 2026).

Cash and cash equivalents (general approach)

Cash and cash equivalents are assessed using the general approach on a 12-month ECL basis. All cash balances have been assessed as low credit risk at the reporting date based on the absence of significant credit deterioration, the short-term demand nature of deposits, and the financial capacity of the financial institution counterparties.

The probability of default is benchmarked to Moody's long-term credit ratings applicable to each counterparty, corresponding to a one-year external benchmark probability of default. The loss given default for commercial banking institution exposures is benchmarked against the Basel III Foundation Internal Ratings-Based approach applicable to senior unsecured exposures to financial institutions. For the CPD, the loss given default is based on the Basel III input floor applicable to sovereign exposures, reflecting the support provided by the South African Reserve Bank.

For interest-bearing financial assets, no separate discounting adjustment was applied in the ECL calculation, as the carrying amount at the reporting date already reflects the instrument's present value measured using the effective interest method.

Significant increase in credit risk

The MQA assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date with the risk of default at the date of initial recognition. This assessment is based on all reasonable and supportable information available without undue cost or effort.

The MQA applies the rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless reasonable and supportable information demonstrates that a significant increase in credit risk has not occurred.

Low credit risk

The MQA considers cash and cash equivalents to have low credit risk when the financial institution's credit rating is equivalent to the globally understood definition of 'investment grade'. Short-term investments with the Corporation for Public Deposits are considered to have low credit risk given the CPD's statutory mandate and its backing by the South African Reserve Bank

At the reporting date, the MQA's commercial banking institution counterparties and the CPD (through the South African sovereign) hold Moody's long-term credit ratings of Ba2. Although Ba2 falls below the conventional investment-grade threshold, the MQA considers the credit risk on these exposures to be low based on the regulated nature of the counterparties, the absence of any observable credit deterioration, and the short-term demand nature of the deposits.

Definition of default

The MQA considers a financial asset to be in default when:

- For study assistance and study advances: the employee terminates employment and subsequently fails to honour repayment obligations on the remaining balance, evidenced by non-payment following the issuance of an acknowledgement of debt;
- For sundry debtors: recovery is no longer considered probable based on individual assessment of the counterparty's circumstances, taking into account factors such as prescription of the debt, cessation of repayments, and management's assessment of the likelihood of future recovery;
- For cash and cash equivalents: the financial institution counterparty fails to meet its obligations, as evidenced by external credit rating downgrade to default status, or observable indicators of the institution's inability to honour deposit obligations.
- For non-exchange receivables: when the debtor is unlikely to pay its obligations in full or the debt is prescribed or the entity has an intention to write off the balance. The definition of default applied is consistent with the indicators of impairment previously applied by the MQA.

Grouping of instruments for ECL measurement

Study assistance and study advance balances are grouped on a combined basis for collective ECL measurement. The grouping is based on shared credit risk characteristics: all obligors are current employees of the MQA, balances are recovered through payroll deductions upon the same triggering events (failure or resignation), and contractual terms are substantively identical. Within this group, credit risk drivers respond similarly to changes in economic conditions, supporting homogeneous portfolio treatment.

Sundry debtors are assessed on an individual basis due to the heterogeneous nature of the underlying transactions and credit risk characteristics giving rise to each receivable balance.

Cash and cash equivalents are assessed individually per financial institution counterparty, reflecting differences in credit risk profiles, external credit ratings and loss given default assumptions between commercial banking institutions and the CPD.

Given the heterogeneous and specialised nature of discretionary grant recoveries, these are primarily assessed on an individual basis rather than a collective basis.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or being more than 90 days past due;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- For non-exchange receivables, a significant increase was identified where legal recovery processes were initiated or where a debtor failed to respond to letters of demand.

At the reporting date, two individually assessed sundry debtor balances totalling R143,595 (2025: R143,595) are classified as credit-impaired and measured at lifetime ECL with a loss rate of 100%. The credit loss events relate to a prescribed settlement amount with no recent repayments and excess travel claims where no further recoveries are expected. No other financial assets are credit-impaired at the reporting date.

Forward-looking information

No macroeconomic overlay has been applied in the ECL assessments. The base default rates used in the models already embed forward-looking elements through their long-run calibration across full economic cycles. For rated counterparties, current external credit ratings reflect the rating agencies' own point-in-time assessment of credit quality, which incorporates macroeconomic expectations. For the remaining exposures, the external benchmark default rates used represent the best available estimate given the absence of internal loss data. Applying an additional macro-level scaling factor would introduce unwarranted double-counting of macroeconomic risk already reflected in the calibration.

Write-off policy

Refer to the accounting policy note for the MQA's write-off policy regarding the indicators used to conclude that there is no reasonable expectation of recovery.

Quantitative and qualitative information about amounts arising from expected credit losses

Changes in loss allowance and gross carrying amount

Receivables from exchange transactions — reconciliation of loss allowance (simplified approach: study advances and study assistance)

Stage 1: 12- month	Lifetime ECL 2026 R'000	2025 R'000
Loss allowance at beginning of year	39	-
New financial assets originated or increase in exposure	11	-
Loss allowance at end of year	**50**	**-**

No prior-year comparative is presented, as no ECL was recognised for receivables from exchange transactions under the previous version of the standard. The opening loss allowance of R39,133 represents the ECL calculated at the date of initial application, recognised as a transitional adjustment to accumulated surplus.

Receivables from exchange transactions — reconciliation of loss allowance (general approach: sundry debtors)

	Stage 3: Lifetime ECL 2026 R'000	Total 2026 R'000
Loss allowance at beginning of year	144	144
Loss allowance at end of year	**144**	**144**

No prior-year comparative is presented, as no ECL was recognised for sundry debtors under the previous version of the standard. The opening loss allowance of R143,595 represents the ECL calculated at the date of initial application. Two individually assessed balances are classified in Stage 3 (credit-impaired) at both reporting dates. No balances are classified in Stage 2.

Receivables from non-exchange transactions — reconciliation of loss allowance (general approach: sundry debtors)

Stage 1: 12- month ECL 2026	Stage 1: 12- month ECL 2026 R'000	Stage 3: Lifetime ECL 2026 R'000	Total 2026 R'000
Loss allowance at the beginning of year	129	23 542	23 671
Transfers to stage 3	(129)	129	-
Write-offs	10	78	88
Changes in models, assumptions and risk parameters	-	-	24
Loss allowance at end of year	**10**	**23 749**	**23 783**

Cash and cash equivalents — reconciliation of loss allowance (general approach)

	12-month ECL (Stage 1) 2026 R'000
Loss allowance at beginning of year (1 April 2025)	2 340
Changes in exposure and risk parameters	(1 035)
Loss allowance at end of year	**1 305**

No prior-year comparative is presented, as no ECL was recognised for cash and cash equivalents under the previous version of the standard. The opening loss allowance of R2,340,443 represents the ECL calculated at the date of initial application, recognised as a transitional adjustment to accumulated surplus. The decrease of R1,035,793 during the year is driven by a reduction in overall cash exposure and an increased allocation of deposits to the CPD, which carries lower associated credit risk.

Contractual amounts written off subject to enforcement activity

No contractual amounts were written off during the reporting period that remain subject to enforcement activity.

Credit risk exposure

For purposes of determining the credit loss allowances, the MQA determines the credit rating grades of each financial asset at the end of the reporting period. These ratings are determined either externally through ratings agencies or internally, where external ratings are not available.

Cash and cash equivalents — credit quality based on external credit ratings

Financial institution	External credit rating 2026	Weighted avg loss rate 2026	Gross CA 2026 R'000	ECL 2026 R'000	Net CA 2026 R'000	Net CA 2025 R'000
CPD — short-term investments	Ba2 (Moody's)	0.235%	261 075	614	260 461	594 126
Standard Bank and ABSA — current accounts	Ba2 (Moody's)	0.423%	163 386	691	162 695	111 643
TOTAL		**0.307%**	**424 461**	**1 305**	**423 156**	**705 769**

Cash and short-term investments held with the CPD and the MQA's banking institutions are regarded as having low credit risk. Surplus funds are invested with the CPD in accordance with Treasury Regulation 31.3. The interest rate earned fluctuates in line with movements in current money market rates. The 2025 comparative is presented under the previous version of the standard with no ECL recognised; the carrying amount equals the gross carrying amount.

Receivables from exchange transactions — credit risk exposure by class and ECL approach

Credit risk with respect to receivables from exchange transactions arises from the potential default of counterparties. The MQA's financial instrument receivables comprise study assistance, study advances, sundry debtors and a rental deposit.

Segment	Gross CA 2026 R'000	ECL approach / loss rate	Loss allowance 2026 R'000	Net CA 2026 R'000
Study advances and study assistance	4 907	Simplified — 1.03%	50	4 857
Sundry debtors — credit-impaired (Stage 3)	144	General — 100%	144	-
Sundry debtors — performing (Stage 1)	5	General — immaterial	-	5
Total 2026	5 055		194	4 862
TOTAL 2025 (NOT RESTATED)	5 520	-	**-**	**5 520**

The 2025 comparative of R5,520,000 was not restated and represents the carrying amount under the previous version of the standard with no ECL recognised.

Receivables from non-exchange transactions — credit risk exposure by class and ECL approach

Credit risk with respect to receivables from non-exchange transactions arises from the potential default of counterparties. The MQA's financial instrument receivables comprise three individual debtors.

Segment	Gross CA 2026 R'000	ECL approach / loss rate	Loss allowance 2026 R'000	Net CA 2026 R'000
Low risk	338	2.96%	10	328
Very high risk	23 749	100%	23 749	-
Total 2026	24 086		23 759	328
TOTAL 2025 (NOT RESTATED)	**23 748**	**-**	**23 542**	**206**

The 2025 comparative of R206,000 was not restated and represents the carrying amount under the previous version of the standard with no ECL recognised.

Maximum exposure to credit risk

The following table presents the MQA's maximum exposure to credit risk for financial assets subject to ECL. The maximum exposure is the net carrying amount after deducting the ECL loss allowance, without taking account of collateral or other credit enhancements.

Financial asset class		Maximum exposure 2026 R'000	Maximum exposure 2025 R'000
Cash and cash equivalents	15	423 156	705 769
Receivables from non-exchange transactions	14	303	206
Receivables from exchange transactions	12	6 466	5 520
TOTAL		**429 925**	**711 495**

The MQA holds no collateral and no other credit enhancements against any of the above financial assets. The 2025 comparative is presented under the previous version of the standard with no ECL recognised; the carrying amount equals the maximum exposure.

Liquidity risk

Scope and objectives

Liquidity risk is the risk that the MQA will encounter difficulties in meeting its obligations as they fall due. The MQA manages liquidity risk through proper management of working capital, capital expenditure and cash flows, and through monitoring of actual versus forecasted cash flows and its cash management policy.

The MQA's primary source of funding is the Skills Development Levy allocated by the South African Revenue Service. The MQA invests surplus funds with the Corporation for Public Deposits, which are available on the same day if requested before 12h00. Trade and other payables from exchange transactions are settled within 30 days of receipt of invoice in accordance with the PFMA.

There have been no significant changes in the MQA's liquidity risk management policies and processes since the prior reporting period.

Maturity analysis of contractual undiscounted cash outflows — non-derivative financial liabilities

2026	Less than 1 year R'000	Total R'000	Carrying amount R'000
Payables from exchange transactions	11 723	11 723	11 723
Payables from Non - exchange transactions	385 899	385 899	385 899
TOTAL	**397 623**	**397 623**	**397 623**

2025	Less than 1 year R'000	Total R'000	Carrying amount R'000
Payables from exchange transactions	5 899	5 899	5 899
Payables from Non - exchange transactions	420 600	420 600	420 600
TOTAL	**426 499**	**426 499**	**426 499**

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The MQA's exposure to interest rate risk arises from the short-term investments held with the Corporation for Public Deposits, which earn interest at a floating rate linked to the current money market rates. The MQA reviews the rate at regular intervals and compares the rate received to rates available in the market to ensure competitive returns.

The MQA has no interest-bearing financial liabilities within the scope of GRAP 104 (revised 2019). Changes in market interest rates would not have an impact on the statement of financial performance with respect to financial liabilities.

There have been no significant changes in the MQA's interest rate risk management policies and processes since the prior reporting period.

Interest rate profile

Variable rate instruments: Assets	Avg rate 2026	CA 2026 R'000	Avg rate 2025	CA 2025 R'000
Cash and cash equivalents	6%	423 156	8%	705 769

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate of 1% (100 basis points), which represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The analysis includes only financial instruments exposed to interest rate risk recognised at the reporting date. No changes were made to the methods and assumptions used compared to the previous reporting period.

	Impact on surplus or deficit R'000
2026: 100 basis points increase	4 232
2026: 100 basis points decrease	(4 232)
2025: 100 basis points increase	7 058
2025: 100 basis points decrease	(7 058)

The 2026 sensitivity is calculated as the gross cash and cash equivalents balance (R422,121,000) multiplied by 1%.
The 2025 sensitivity is calculated as R705,769,000 multiplied by 1%.

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

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