

*Skills for
future
employment
and
economic
growth*



Digging with Skills and Knowledge



Annual Report
2018-2019



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



MINING QUALIFICATIONS AUTHORITY

Mining Qualifications Authority (MQA)

Annual Report

2018-2019

Skills for future employment and economic growth

HONOURABLE MINISTERS, IT IS OUR PLEASURE TO PRESENT TO YOU THE ANNUAL REPORT OF THE
MINING QUALIFICATIONS AUTHORITY FOR THE FINANCIAL YEAR 1 APRIL 2018 TO 31 MARCH 2019

CURRENT



Mr Gwede Mantashe
Minister of Mineral Resources
and Energy



Dr Blade Nzimande
Minister of Higher Education,
Science and Technology



Mr David Msiza
Chairperson
(1 November 2018 to 31 March 2019)

FORMER



Dr Naledi Pandor
Minister of Higher Education
and Training



Mr Mthokozisi Zondi
Chairperson
(1 April 2018 to 31 October 2018)



mineral resources

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REPUBLIC OF SOUTH AFRICA



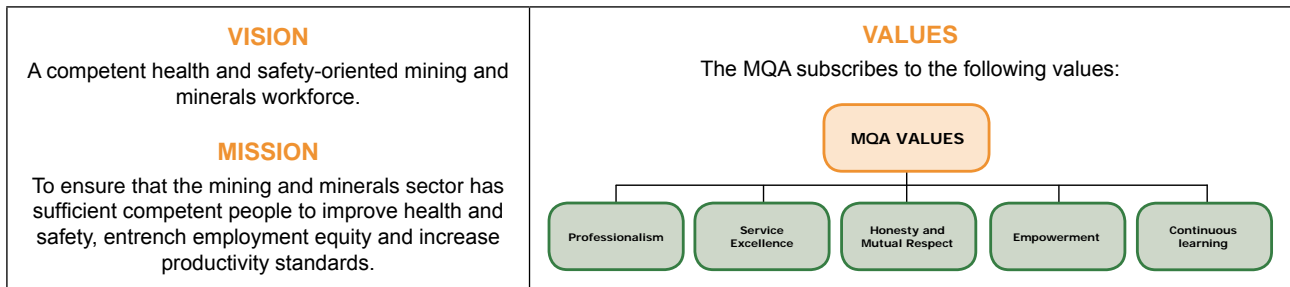
**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



MINING QUALIFICATIONS AUTHORITY

Digging with Skills and Knowledge



STRATEGIC OBJECTIVES

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

LEGISLATIVE AND OTHER MANDATES

The MQA 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 under the Department of Mineral Resources (DMR) for the mining and minerals sector. There are various pieces of legislation that govern the operations of the MQA. These are listed below:

THE MQA LEGISLATIVE MANDATE		
Department of Mineral Resources (DMR)	Department of Higher Education and Training (DHET)	Department of Finance (DoF)
<ul style="list-style-type: none"> • Mine Health and Safety Act (MHSA) 29 of 1996 • Minerals and Petroleum Resources Development Act (MPRDA) 8 of 2002, as amended • Social and Labour Plan 	<ul style="list-style-type: none"> • Skills Development Act (SDA) 97 of 1998 • Higher Education Act (HEA) 101 of 1997, as amended • National Financial Aid Scheme Act (NSFAS) 57 of 1999 • Adult Education and Training Act of 2000 • Adult Education and Training (AET) Colleges Act of 2006 • Further Education and Training (FET) Colleges Act 16 of 2006 • National Qualifications Framework Act 67 of 2008 	<ul style="list-style-type: none"> • Skills Development Levies Act 9 of 1999 • Income Tax Act 58 of 1962, Section 12H Learnership Allowances • Public Finance Management Act (PFMA) 1 of 1999
Relevant Regulations	Relevant Regulations	Relevant Regulations

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



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SECTION 1: GENERAL INFORMATION

1.1. STRATEGIC OVERVIEW BY THE CHAIRPERSON



Mr David Msiza
MQA Chairperson

I am delighted to present the Mining Qualifications Authority (MQA) Annual Report for the 2018-2019 financial year. I present this report on behalf of the governing MQA Board, the Honourable Minister of Higher Education and Training, Dr Naledi Pandor, the Honourable Minister of Mineral Resources, Mr Gwede Mantashe, various industry stakeholders, organised business and labour, employees, as well as organisations in the mining and minerals sector.

A few new Board members were appointed during the financial year. I welcome them to the Board. I am confident that they will execute their fiduciary duties professionally and will be focused on addressing key national and strategic issues of the MQA's mandate.

The MQA held its strategic planning session from 14 to 15 August 2018. The focus was to prioritise good corporate governance practices and strategically position the MQA currently and beyond 2020. The MQA continues to support the following six strategic objectives that are aligned to its legislative mandate of:

1. Promoting efficient and effective governance and administration;
2. Improving skills development planning and decision making through research;
3. Promoting work-based skills development to support transformation in the mining and minerals sector;

4. Facilitating access to occupationally directed learning programmes for the unemployed;
5. Supporting mine community training initiatives to access economic opportunities; and
6. Ensuring the delivery of quality learning programmes in the mining and minerals sector.

Highlights

The MQA Board welcomes the finalisation of the Mining Charter by the Honourable Minister of the Department of Mineral Resources, Mr Gwede Mantashe. The Board is satisfied that the MQA's strategic objectives will continue to address the objectives of the broad based socio-economic empowerment charter [Mining Charter], which came into effect in December 2018.

The MQA was honoured to participate at the 25th African Mining Indaba in partnership with the Department of Mineral Resources' (DMR) and its other entities, from 4 to 7 February 2019, where for the first time in the history of the event, the sitting President of South Africa, Mr Cyril Ramaphosa addressed the local and international mining delegates. This partnership afforded the MQA an opportunity to promote, amongst others, the important developments that characterise South Africa's mining and minerals sector, while also highlighting the significance of skills development and training in the sector. The event attracted over 6 000 delegates representing various countries around the world.

The MQA prides itself for the recognition of a Bronze Award under the Most Outstanding SETA category received at the National Skills Authority (NSA) National Skills Conference and Award event held from 14 to 15 March 2019 at the Birchwood Conference Centre. The receipt of the award reflects the efforts undertaken by the organisation to realising its commitment of empowering the lives of South African's through skills development in the mining and



minerals sector. Our goal going forward is to strive to achieve the gold award in future recognition events that are held. The MQA congratulates the mining and minerals sector companies that participated and were recognised at the National Skills Authority (NSA) Skills Awards for their contribution to skills development and the sector at large. These included Mr Michael Pneuma of Pneuma Jewellers, who was awarded a silver award in the Minister's Individual category, Glencore that received a bronze award under the Mining and Minerals Sector category, Zurel Bros. SA and Tendele Coal Mining who both received Recognition Awards. The MQA Board congratulates all the recipients of the awards and encourages more companies to participate in future awards, to show case the great work that they are involved with, towards improving the lives of South Africans.

As the MQA Governing Body, we welcome the National Skills Development Plan (NSDP) launched by the Minister at the National Skills Conference in Birchwood. The NSDP was promulgated in February 2019 and will improve skills development in terms of Section 9(4) of the Skills Development Act. The NSDP outlines the scope of the SETAs and crucially highlights the institutional arrangements of the SETAs.

The new NSDP brings with it positive changes pertaining to SETAs that highlights that:

- SETAs will have no limited lifespan however, a mechanism to address non-performance will be established;
- Where required, the Minister will introduce institutional reviews, as the socio-economic policy environment is not static;
- SETAs demarcation, amongst others, will be based on industrial classification, value chain and financial viability; and
- The establishment of shared services may be considered, where practically possible.


The world is acclimatising to the Fourth Industrial Revolution at a fast pace, and it is about time that as the MQA, we navigate with all industry leaders to confront the opportunities and obligations we have to incorporate this new system in our business dealings. It must be conceded that this new system brings with it requirements for new proficiencies, and will intensely impact on political, social and economic systems. We however as the industry, must remain focused on people, with the goal of focusing our efforts to building a network of conviction. If we successfully navigate these challenges, we will collectively experience the benefits of the Fourth Industrial Revolution.

Audit results

The MQA received an unqualified audit, with findings from the Auditor-General of South Africa (AGSA) for the 2018-2019 financial year. Although the overall audit outcome is the same as in the past three years, significant improvements were noted in the AGSAs assessment of assurance levels, risk areas and drivers of internal controls. Notable strides have been made in areas of financial management, risk management, internal controls and compliance with legislation. Going forward however, the MQA is committed to continuous improvement in order to achieve an unqualified audit, without findings. In this respect the MQA Board is committed to working with the MQA management to ensure that this is achieved.

The MQA Audit and Risk Committee (ARC) operated according to the Charter that was approved by the Board, and maintained effective oversight over internal controls, the internal audit function, quality of management reports as well as risk management. The MQA's risk strategy and fraud prevention campaign including the MQA toll-free hotline, where the public and stakeholders can report fraudulent activities in absolute confidentiality, continues to ensure sound monitoring of MQA activities.

The MQA as a public entity is also guided by National Treasury in terms of the Public Finance Management Act (No. 1 of 1999 as amended by Act 29 of 1999). The newly appointed Board continued with the role of exercising



sufficient oversight over the core and support functions of the MQA for the period under review, and is satisfied that control measures were sufficient, efficient and effective to mitigate potential risks to the MQA. Furthermore, the Board and its supporting Committees are fully functional and support the strategic mandate of the MQA in their respective operational and technical capacities.

My appreciation is extended to the MQA staff members for their resolute determination to the organisation.

Performance Target Achievements

Out of the 43 targets set in the Annual Performance Plan (APP), 35 of the targets were achieved, resulting in 81% achievement of targets while 26 of the 33 targets set in the Service Level Agreement (SLA) with the Department of Higher Education and Training (DHET) were met, resulting in a 79% achievement. The MQA overall achievement for the year under review was 80%. The Board commends the various operations and support units for the exceptional effort in terms of performance. The Board is challenging management to take into cognisance that there are people behind the numbers and urges the MQA to assess the impact of the current training interventions and put measures in place to ensure that successes identified from the impact studies are replicated and shortcomings identified therefrom are addressed.

Total funding

The MQA's income continues to be stable. In the year under review, the revenue increased to **R1 209 234 000** from R1 120 134 000, in spite of the challenges that were experienced by the mines due to global and local economic forces.

From a total budget of **R1 088 224 000**, the MQA's overall expenditure was **R884 152 000**, resulting in a total spend of **80%** and R324 617 000 unspent. More can be done to ensure the improvement of allocating financial resources on time for the training interventions that yield the best results for the recipients going forward.

Bursary Programme

In line with the national agenda passed by the government to support poor and working class students through the expanded bursary scheme, which replaces the previous loans and partial bursary scheme, the bursary scheme was established to provide financial assistance to students from previously disadvantaged backgrounds and to increase the number of students pursuing careers in the mining and minerals sector.

In the year under review, the MQA supported an increased number of previously disadvantaged learners with bursaries to pursue mining related professions at Higher Education and Training (HET) institutions and artisan trades at accredited TVET and other colleges. The bursary scheme contributes to the skills transformation agenda as espoused in the Mining Charter.

Transformation

The priorities of the Mining Charter form part of the MQA's focus. In the year under review, the organisation saw a steady increase in the number of beneficiaries from mining communities, who gained technical and non-technical skills from participating in various training programmes.

This will support the availability of sustained human capital that will also contribute towards an improved employment rate within mining communities.

The MQA is encouraged by the number of employers who have opened their work spaces to enable more learners to undergo training for the work environment and attract discretionary grants.

Mandatory grants funds

Skills development legislation requires that all mining companies, regardless of size, submit their workplace skills plans (WSP's) and annual training reports (ATR's) as part of their commitment to skills development training. The mandatory deadline date for the submission of WSPs and ATRs is 30 April annually. Employers responded positively and a large number of WSPs and ATRs were submitted by

the deadline. This ensures that the sector adopts a culture of continuous learning so that an informed profile of the scarce and critical skills needs within the sector is always available.

During the year under review, out of a planned target of **750**, a total of **759** companies submitted their WSPs-ATRs with **721** being approved.

In the period under review, the MQA received R284 085 million from the mandatory levy income out of which a total of **R242 597 000** was disbursed as mandatory grants. The MQA continues to invest in various projects that addresses the skills needs of the sector, and the results will inform the nature of interventions required to develop the sector.

Discretionary grants funds

The MQA Board approved a total budget of **R713 931 000** for discretionary projects, of which **R492 684 000** was spent. This accounts for a 69% expenditure. This is a concern for the Board and the MQA and mainly arises from the fact that the industry takes on more learners in the last quarter of the year, resulting in budgeted funds not being used and remaining as commitments that will realise as liabilities in the ensuing financial years. Positive relationships exist between the MQA and the mining industry to ensure that more is done to ensure that learners enter the skills development programmes throughout the year rather than at the end of the financial year.

The various skills development projects are established with a focus of addressing the skills gaps identified in the Sector Skills Plan and to fulfil the strategic goals of the MQA that are informed by the deliverables outlined in the National Development Skills Strategy 111. The various projects include amongst others, artisan development (to support the continual need for artisan trades), non-artisan learning programmes, the occupational health and safety skills programme, bursaries, work experience, internships as well as projects to support historically disadvantaged individuals in their career progression within the sector.

Artisan Development and support for Artisan Aides

The MQA remains devoted to the objectives of artisan development. We continue to urge employers in the sector to register learners in artisan and progress artisan aides to fully fledged artisans.

The notable number of artisan aides were supported through the recognition of prior learning (RPL) process. We are still resolute in supporting the “Decade of the Artisan” campaign founded and led by the Department of Higher Education and Training declared for the period 2014 to 2024. An increased number of young learners continue to pursue the artisan route to learn skills that are essential for gainful employment, and to contribute towards the economic growth of the country.

Technical Vocational Education and Training College Support


The MQA continued to maintain the established partnerships with Technical Vocational Education and Training (TVET) colleges in different regions in an effort to support the goal of increasing access to more citizens training as artisans and other skills development opportunities.

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

Occupational Health and Safety

Occupational Health and Safety in the work spaces and amongst employees of the mining and minerals sector continues to be of paramount importance. For the year under review, the Department of Mineral Resources (DMR) statistics revealed that there was a slight decrease in fatalities and injuries across the mining and minerals sector in South Africa.

There were 81 fatalities reported for 2018, a 10% decrease compared to the 90 reported in 2017. Thirty one (31%) percent of all fatalities were attributable to fall of ground



incidents. The gold sector continues to experience the highest number of fatalities in the mining industry. In 2018, there were three major disasters at mines in South Africa which resulted in the loss of life. There were 2 350 injuries reported for 2018, a 14% decrease compared to 2017 where 2 669 injuries were reported.

The MQA remains committed to the “Zero Harm” policy supported by various stakeholders in the sector. In response to the call by the Department of Mineral Resources (DMR) to address the challenge of increased fatality rates due to seismic activities and rock related accidents, the MQA supported a total of 40 employed learners to register for a qualification related to Seismology and Rock Engineering. Twenty (20) learners were registered at Wits University and the other 20 learners at the University of Pretoria.

The measures that are continually taken regarding safety concerns demonstrate the MQA and the sector’s commitment to continued improvements in the safety standards within the mines. The employers in the mining and minerals sector continued to respond positively to training an increased number of representatives in the legislated occupational health and safety skills programme.

Literacy support for continuous learning

Literacy support is a fundamental element of skills development training that ensures ongoing learning opportunities for employees in the mining and minerals sector. In the year under review, the MQA continued to harness engagements with employers in the sector.

These engagements contribute to the development of a positive response to support the Adult Education and Training (AET), and Foundational Learning Competence (FLC) programmes. This will ensure that all employees in the sector are afforded sufficient opportunities that will improve their skills levels and their growth within the mining and minerals sector.

Career guidance

Career guidance is a fundamental cornerstone in shaping the vocational choices of young learners to take up mathematics and physical science and advising them of the opportunities in the mining and minerals sector. This underpins the MQA’s commitment to support the mining and minerals sector’s needs for transformation through skills development interventions that also target the youth.

The MQA continued to undertake an extensive career guidance programme in line with the objectives of the Department of Higher Education and Training (DHET). Career exhibitions that created awareness about mining related careers amongst maths and science learners. High school learners were conducted from grades 9 to 12 that have selected subjects that include mathematics and physical science were encouraged to focus on improving their success in these subjects, so that they can qualify to study mining related qualifications at universities, universities of technology and TVET colleges. The MQA supported these learners to grow the pool of qualified young people in the sector.

Work experience support

In addition to the bursaries, the MQA provided work experience opportunities to undergraduate learners at tertiary institutions, which is vital in ensuring that learners obtain their qualifications. This was made possible by the positive support shown by employers in the sector, who heeded the call to offer their workplaces as learning spaces to allow graduates to improve their prospects of gaining employment within the sector, and thus contributing to the reality of a transformed mining and minerals sector.

Administration funds

The total spend on administration costs increased from R131 820 000 in the 2017-2018 financial year to **R134 111 000** in the 2018-2019 financial year due to the implementation of a variety of cost cutting measures. Savings from administration funds are ploughed back to discretionary funds.

Challenges

A combination of global and local economic events and conditions negatively impacted stakeholders in the sector where a number of mining companies announced unplanned retrenchments and in some instances mine closures, which in turn, adversely affected the MQA in efficiently carrying out its mandate. The MQA continues to engage with role players in the sector to ensure that despite the challenges they face, ongoing skills development remains a priority for all stakeholders, in the present and in future.

Appreciation

To the Ministries of both Higher Education and Training and Mineral Resources, I appeal that we continue to harness this critical partnership, which the MQA Board and I remain earnestly appreciative of. Your continued support and the meticulous manner in which the mandate of the MQA was executed over the past year is acknowledged.

My gratitude is extended to the MQA Board and all its Committees, the Internal and External Auditors and all those that uphold the values of the MQA in executing its mandate. It is indeed an honour to serve as a member of the Board together with committed Board members.

My sincere appreciation is extended to the employer and labour organisations for their continued support and feedback during the various stakeholder engagements.

Lastly, I extend my gratitude, on behalf of the MQA Board, to the MQA employees for the ongoing performance and support of the MQA in executing its mandate. You truly are and remain the most valuable asset to the MQA.

An improved economic growth can only be achieved through an unwavering commitment to service delivery by all the players in the sector. All efforts for increased improvement will continually be put in place to ensure that the MQA strategically serves the larger South African community with the much needed mining and minerals sector related skills development and training programmes.



David Msiza

Chairperson of the MQA Board
31 May 2019

1.2. OPERATIONAL OVERVIEW BY THE ACTING CHIEF EXECUTIVE OFFICER



Mr Tebogo Mmotla
Acting MQA Chief Executive Officer

As the Acting Chief Executive Officer of the Mining Qualifications Authority (MQA), it gives me immense pleasure to present this overview of the MQA's overall performance for the period 01 April 2018 to 31 March 2019, to the various MQA governing structures.

The MQA's achievement of an unqualified audit report for the year under review follows on the attainment of a similar outcome during the 2017-2018 financial year. This accomplishment bears testimony to the MQA's ability to maintain and rely upon its stringent internal governance structures, to steer the skills development needs of the mining and minerals sector.

This is also supported by the results received from the Stakeholder Perception Survey, that is in line with one of the MQA's strategic objective that ensures *"Improved skills development planning and decision-making through research"* that the MQA completed during the 2018-2019 financial year for both internal and external MQA stakeholders, to measure the levels of satisfaction amongst stakeholders regarding the MQA as an organisation, and a skills development driver within the sector. Areas of interest that were measured included the relevance of the unit standards and qualifications in meeting the required standard; the significance of projects that are implemented to assist in closing the skills gap; the MQA's ability to grow skills development within the sector; and the timeous disbursement of grants to support effective skills development in the sector. The MQA welcomes the overall positive rating that was received, and acknowledges the

participation of stakeholders in this research which will assist in improving the service the organisation provides to the sector.

Furthermore, the MQA remains committed in adherence to its six strategic objectives, as well as its vision, mission and values. It is through these guiding principles that the vision of a safe, healthy and adequately skilled mining workforce to propel the mining sector towards the next wave of industrialisation will be sustained.

In support of the Fourth Industrial Revolution that is looming over the mining and minerals sector, for the first time the MQA participated at the World Skills South Africa Competition and the National Artisan Development Career Festival event, hosted by the Department of Higher Education and Training (DHET) at the Durban International Convention Centre (DICC) from 23 to 25 February 2019. The participation in the World Skills competition holds huge potential to influence the development and employability of the South African youth. The competition hosted a series of skills for apprenticeship, training artisan development and vocational education and training. The MQA exhibited with Durban Natal Portland Cement and Ashok Jewellers and the exhibition adopted an approach of "Try a Skill". The objective of this type of exhibiting was to display and demonstrate skills that are in demand by industry and also to provide an opening into future artisan skills which may be required in the Fourth Industrial Revolution. This approach provided the learners an opportunity to experience the artisan trades which included Jewellery Manufacturing and Electrical trades.

This topic was also extensively discussed at the National Skills Conference and Awards event hosted on 14-15 March 2019 by the National Skills Authority to discuss the impact of the Fourth Industrial Revolution and how it will impact on various sectors skills requirements and employment in the future. The MQA was also awarded the Bronze Award in the Outstanding SETA Category at the



conference, a testament to the fact that the MQA is turning the tide to become one of the most recognised SETA's.

The MQA experienced successes during the year under review with regards to its performance targets as per the Service Level Agreement (SLA) with the Department of Higher Education and Training (DHET). The MQA continued to perform well in its mandate, and achieved 26 out of the 33 indicators, achieving a **79%** of the performance targets and, out of 43 targets in the Annual Performance Plan, the MQA achieved 35 of the targets obtaining an achievement of **81%**.

The MQA welcomed the renewed Mining Charter. The new Charter is aimed at strengthening its effectiveness, while taking into account the realities facing the mining industry such as ownership, mine community development, employment equity, human resource development, inclusive procurement, supplier and enterprise development, as well as housing and living conditions.

Occupational Health and Safety Skills Programme

The objective to annually produce a sufficient number of skilled, qualified occupational health and safety (OHS) representatives in the sector, through the OHS skills programme, continues to yield positive results. This is in line with the "Zero Harm" goal for mining fatalities that is endorsed by various stakeholders and role players in the sector including the MQA, the Department of Mineral Resources (DMR) and organised labour organisations.

In the year under review, the MQA met its target of training OHS representatives where a total of **901** employees completed the training programme, against the set target of 900. To further enhance training for this much needed requirement, the MQA offered other health and safety programmes where a total of 100 employees were supported.

Our aim in this regard is to drive efforts to reduce the prevalence of mining related fatalities, and health issues related to mining activity, through the provision of the requisite training interventions.

Research in the sector

The MQA conducts research annually within the mining and minerals sector as a first step in identifying the skills needs of the sector, with a view towards formulating and implementing quality training interventions. Data gathering instruments which include the workplace skills plans (WSP's), the annual training reports (ATR's) and the Sector Skills Plan (SSP), provide vital information on the sector and its employees.

In the year under review, the set target of 750 workplace skills plans and annual training reports received was exceeded, with a total of **759** WSPs and ATRs received.

The MQA's six (6) regional offices played an advocacy role by providing the necessary face-to-face support to stakeholders in the mining and minerals sector.


Youth and learner development (bursaries, career guidance, youth development)

South Africa is currently faced with the daunting crisis of youth unemployment and to a greater degree, the young unemployed graduates.

To achieve the goal of a transformed, skilled and progressive mining and minerals sector, whose output can rival that of other players within the global mining industry, it is imperative that role players in the sector provide enabling training environments for the youth, while investing in this section of the population to ensure an adequate number of young qualified entrants are able to access the mining sector.

For this reason, the MQA has devised interventions that include bursaries, the internship programme, and the youth development programme that offer learning and training opportunities to young, unemployed learners and graduates.

During the year under review, a total of **260** unemployed learners from historically disadvantaged backgrounds, against a set target of 250, were offered financial support in the form of a bursary, through the MQA bursary scheme.



In addition to that, a total of **788** unemployed learners successfully completed their undergraduate qualifications, against a set target of 650.

The MQA's internship programme, aimed at unemployed graduates, assists graduates to find work experience and job placement opportunities. During the 2018-2019 financial year, a total of **114** graduates against the set target of 100 were successfully placed with various host companies to attain invaluable work experience.

The MQA continues to facilitate career guidance opportunities to create awareness amongst learners studying mathematics and physical science. During the year under review, the MQA participated in a total of **81** career guidance events, against the target of 70.

Young people who reside in communities where there is widespread mining activity, as well as young people from labour sending areas, are at times overlooked when training opportunities to skill young unemployed participants are made available. To mitigate the negative impact of this setback, the MQA offers various training opportunities to these young learners, through the youth development programme.

The MQA achieved success through this programme, where a total of **201** unemployed youth from mining communities and labour sending areas participated in the training intervention, against the set target of 150; a total of **161** successful completions out of the set target of 100.

It is through the youth development programme that the MQA is confident the youth in these identified areas can ascend to the role of successful economic contributors within their communities.

Mine community development, small-scale mining support

The MQA seeks to promote synergy between communities and other various stakeholders who participate in mining activities within the surrounding mining areas.

Programmes such as Mine Community Development

and small-scale mining support provide numerous training opportunities for underprivileged beneficiaries to contribute positively towards the economic growth of their communities.

During the 2018-2019 financial year, a total of **151** beneficiaries, against the set target of 100, participated in the mine community development programme. A total of **312** beneficiaries, out of the set target of 100, benefitted successfully from this training initiative. Furthermore, a total of **60** small-scale miners were offered training support, against a set target of 50 beneficiaries.

Learnerships, artisan and non-artisan development

Although the period under review presented the MQA with a marked decrease in the number of learnerships that were available for mining companies to access, there was nevertheless a positive response from the sector that resulted in the MQA achieving its target for learnership programmes.

A total of **102** employed learners were enrolled on various learnership programmes against the set target of 100. In terms of completions, a total of **783** employed learners successfully concluded their learnership training against the set target of 900.

The target for recognition of prior learning (RPL) was exceeded, where a total of **25** employed learners completed their RPL training against the set target of 20, during the year under review.

The demand for artisan training in the sector remains stable, with a total of **320** learners being registered on various artisan programmes against the set target of 275. There was a total of **1 306** learners who completed their artisan training, against a set target of 1 300.

In terms of providing support to unemployed learners from the surrounding mining communities, employers in the sector responded positively by enrolling these learners on learnership programmes. The set target to enrol 380 unemployed learners on learnership programmes was



met; however, the number of unemployed learners who completed their training was exceeded by 602, with **1 152** learners completing their training against the set target of 550.

Stakeholder capacity building

The MQA's objective to ensure the availability of a sufficient pool of skilled specialists within the mining and minerals sector that provides critical, relevant information to address the training needs of employers, is in line with stakeholder development within the sector.

In the year under review, the MQA provided support to Skills Development Facilitators (SDFs), where a total of **21** capacity building workshops were held, against the set target of 20. This was to assist the SDFs with the requirements for the WSP-ATR submission process.

A total of **18** Skills Development Committee (SDC) workshops were also hosted, against the set target of 8.

Support for literacy in the sector

The MQA supports literacy programmes that promote the value of learning amongst mining and minerals sector employees without prior access to learning opportunities. During the 2018-2019 financial year, a total of **831** learners against the set target of 820 completed their level 1-4 Adult Education and Training (AET).

Challenges

The decrease in the revenue the MQA received during the 2018-2019 financial year posed an operational challenge in the MQA's ability to plan and deliver more quality learning programmes. This unexpected development in the MQA's finances led to the discontinuation of some fundamental programmes that include the Workplace Coach Development, Management Development; the Historically Disadvantaged South Africans (HDSA) Management Development Candidacy and the extra curricula mathematics and science projects.

Another significant decline to note in the activities of the MQA during this past year was in the low number of learnerships that were available and allocated to employers.

The MQA will exercise all of its efforts to stave off the negative impact these developments will have on the sector, by investigating other possible interventions that could be introduced. We call upon the sector in this regard to support us in this endeavour.

However, it is notable that the sector is still responding positively to the call to support and train unemployed learners from the immediate mining communities, with learnership programmes.

Retrenchments within the different sub-sectors of the mining industry are persisting. This has a direct impact on successfully skilling mining employees through the various training initiatives that are being implemented. While the MQA appreciates the regrets this phenomenon, the organisation will engage employers in the sector to find other sustainable, viable training solutions.

Appreciation

To the Honourable Minister of Higher Education and Training, Dr Naledi Pandor; the Honourable Minister of Mineral Resources, Mr Gwede Mantashe; and the Chairperson of the MQA Board, Mr David Msiza, I would like to express my heartfelt gratitude. I would also like to note the contribution made by Mr Mthokozisi Zondi, whose leadership steered the organisation during the first half of the year under review.

The various stakeholders in the mining and minerals sector have contributed immensely to the MQA's achievements during the previous financial year. These include the DHET, DMR, the MQA Board and standing committees, as well as employers and labour organisations in the sector. I value the constant feedback provided during our various engagements, which will improve the organisation's performance and promote accelerated learning.

As I conclude my tenure as the Acting Chief Executive Officer of the MQA, I would like to reiterate my appreciation to the MQA management and staff members during the past two financial years. Your support, untiring efforts, and commitment to the vision and objectives of the MQA and the sector proved to be invaluable. I urge you to continue practising the values of productivity, health and safety to achieve employment equity.



Tebogo Mmotla

Acting Chief Executive Officer
31 May 2019

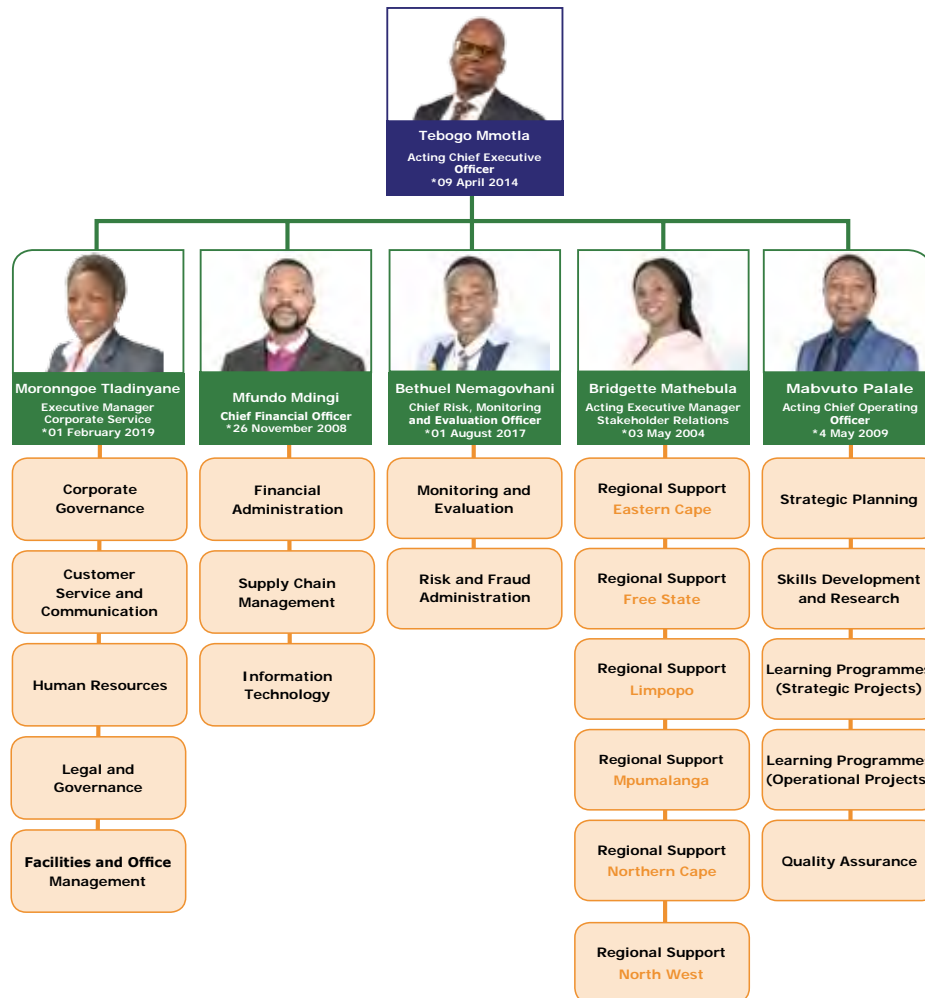


Learners celebrating their success



Learners at a graduation ceremony

1.3. ORGANISATIONAL STRUCTURE



* Current employee-appointment date

Acting in positions during financial year

- Mr Tebogo Mmotla, current Chief Operations Officer (COO), was appointed as the Acting Chief Executive Officer (CEO) from 01 April 2018 to 31 March 2019.
- Mr Mabvuto Palale, current Strategic Planning Manager, was appointed as the Acting COO from 01 April 2018 to 31 March 2019.
- Ms Moronngoe Tladinyane was appointed as Executive Manager Corporate Services (EMCS) from 1 February 2019.
- Mr Tommy Boikhutso current Regional Manager, North West province, was appointed as Acting EMCS from 01 April 2018 to 31 January 2019.
- Ms Bridgette Mathebula, current Regional Manager, was appointed as the Acting Executive Manager - Stakeholder Relations from 01 April 2018 to 31 March 2019.

SECTION 2: CORPORATE GOVERNANCE INFORMATION

Corporate governance guides the processes and systems which are essential towards managing the organisational efficiency and effectiveness within the relevant prescripts. It is in line with these guidelines that the MQA ensures that its policies, processes, procedures and practices are reviewed regularly for consistent compliance with relevant legal provisions. The parameters amplified in the organisational strategies, policies and procedures enables the MQA to utilise its resources in an efficient and effective manner. The terms of Regulation 30 of the Treasury Regulations requires that a Service Level Agreement (SLA) must be concluded between the MQA and the Department of Higher Education and Training annually. This agreement should contain key performance indicators and outcomes expected by the stakeholders in line with the protocol for corporate governance in the public sector.

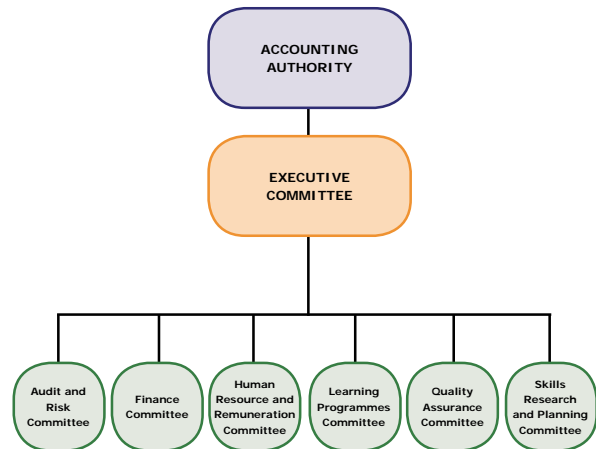
The Board provides strategic direction, leadership, determines goals and objectives of the MQA, and approves key policies, financial objectives, plans, goals and strategies. The MQA Constitution, the Board Charter and the Terms of Reference for all standing committees are aligned to the principles incorporated in the Code of Corporate Practices and Conduct in the King Code reports. The Board's standing committees play a critical oversight role that creates an enabling environment for achievement of organisational goals. The Corporate Services unit provides support to the MQA management, staff and stakeholders in the execution of the organisational legislative mandate which is aimed at facilitating skills development in terms of the Skills Development Act.

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

2.1. Governance Structures

In the execution of its oversight function, the Board is assisted by six standing committees that provide strategic support.

- Audit and Risk Committee;
- Finance Committee;
- Human Resources and Remuneration Committee;
- Learning Programmes Committee;
- Quality Assurance Committee; and
- Skills Research and Planning Committee



2.2. Strategic Planning

The strategic planning process forms a critical aspect within any organisation as it is aimed at ensuring impeccable delivery on its strategic objectives. It is in line with this phenomenon that MQA held its strategic session from 14 to 15 August 2018 with the purpose of reviewing the strategic direction, assessing internal and external challenges, providing direction and producing the Annual Performance Plan of the organisation. The strategic planning session enabled the delegates to deliberate on various policy initiatives aimed at streamlining operational processes for efficiency and effectiveness.

2.3. Executive Committee

The Executive Committee (EXCO) meets quarterly to deliberate on reports that are submitted to the Board Committee as per recommendation by the EXCO members.

2.4. Accounting Authority

The final responsibility for the future of the company depends upon the Board as they provide guidance and direction in which the company is to be led. Sections 50 and 51 of the Public Finance Management Act (PFMA) Act 1 of 1999 as amended by Act 29 of 1999, stipulates that the Accounting Authority must accept the fiduciary duties in writing.

2.5. Board's Responsibilities

The Board is responsible for:

- the strategic direction of the company and the control of the company;
- the values to which the company will adhere to formulated in its code of conduct;
- ensuring that its conduct and that of management aligns to the values and is adhered to in all aspect of its business; and
- promoting the stakeholder inclusive approach of governance.

2.6. Board Charter

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

2.7. Remuneration of Board

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

2.8. Board and Standing Committees Roles and Responsibilities

















	NAME	FUNCTION	COMPOSITION	QUORUM	CHAIRPERSON
1.	MQA Board	Accounting Authority policy, strategies and resource allocations	Five representatives per stakeholder group present	Two stakeholder groups present	Chief Inspector of Mines
2.	Executive Committee (EXCO)	Board delegated tasks and management oversight	Chairperson of the Board, three Conveners, CEO, COO, CFO, Executive Manager Corporate Services (EMCS), Chief Risk Monitoring and Evaluation (CRMEO), Executive Manager Stakeholder Relations (EMSR)	Two stakeholder groups present	Chief Inspector of Mines
3.	Audit and Risk Committee	Advises on the effectiveness of financial management systems and controls in terms of the PFMA (1999, as amended)	Three external representatives, one representative per stakeholder group, representative from internal auditors, one representative from external auditors, CEO, COO, CFO, EMCS, CRMEO and EMSR	Two stakeholders from different stakeholder groups and one external representative present	External representative
4.	Finance Committee	Advises on budget, financial control of projects and grants and levy grant disbursement	Two representatives per stakeholder group, CEO, COO, CFO, EMCS, CRMEO and EMSR	Two stakeholder groups present	Board member
5.	Skills Planning and Research Committee	Advises on development and implementation of the Sector Skills Plan, administration of workplace skills plan and annual training report grants, unit projects and grants implementation	Two representatives per stakeholder group and unit management	Two stakeholder groups present	Board member
6.	Learning Programmes Committee (LP)	Advises on learning programmes, skills programme registration, learning material development, apprentice administration, MQA-I-Share administration, unit projects and grant implementation	Two representatives per stakeholder group	Two stakeholder groups present	Board member
7.	Quality Assurance Committee (QA)	Advises on quality assurance, accreditation, MoUs with Sector Education and Training Authorities (SETAs), monitoring of learning provision, unit projects and grants implementation	Two representatives per stakeholder group	Two stakeholder groups present	Board member
8.	Human Resources and Remunerations Committee (HRREMC)	Oversees the implementation of a Remuneration Framework for the MQA	Three external representatives, one representative per stakeholder group, CEO and EMCS	One stakeholder and one external representative present.	External representative.

Meeting frequency

	Quarterly
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Note: Secretarial support provided by external service provider in all structures.

2.9. Board Members

CHAIRPERSON					
	<div><p>*David Msiza Chairperson</p></div>				
STATE					
	<div><p>Headman Mbiko Department of Mineral Resources</p></div>	<div><p>Motlatso Kobe Department of Mineral Resources</p></div>	<div><p>Mthokozisi Zondi Department of Mineral Resources</p></div>	<div><p>Patricia Gamede Department of Mineral Resources</p></div>	<div><p>Modilati Malapane Department of Mineral Resources</p></div>
EMPLOYERS					
	<div><p>Johan Venter Colliery Training Centre</p></div>	<div><p>Lorato Mogaki Anglo Platinum</p></div>	<div><p>Mashego Mashego Harmony</p></div>	<div><p>Sheridan Rogers Petra Diamonds</p></div>	<div><p>Mustak Ally Minerals Council South Africa</p></div>
LABOUR					
	<div><p>*Mathavha Tshilidzi National Union of Mineworkers</p></div>	<div><p>Donald Shikati National Union of Mineworkers</p></div>	<div><p>*Masibulele Naki National Union of Mineworkers</p></div>	<div><p>Amon Teteme National Union of Mineworkers</p></div>	<div><p>*Frans Stehring United Association of South Africa</p></div>

*New Board Members

- Mr David Msiza, current Chief Inspector of Mines and state representative, was appointed as the MQA Chairperson from 01 November 2018.
- Mr Frans Stehring was appointed as a labour representative Board member from 1 April 2018.
- Mr Masibulele Naki was appointed as a labour representative Board member from 1 November 2018.
- Mr Mathavha Tshildzi was appointed as a labour representative Board member from 1 November 2018.

Acted in a role during the financial year

- Mr Mthokozisi Zondi, current state representative, was appointed as the Acting Chairperson from 01 April 2018 to 31 October 2018.

Resigned from the Board during the financial year

- Mr Azaria Tshangase, labour representative, resigned from the MQA Board in June 2018.
- Ms Sheridan Rogers, employer representative, resigned from the MQA Board in October 2018.

2.10. Board Members Meeting Attendance

	MEMBER	ORGANISATION	CONSTITUENCY	MEETING DATES								TOTAL
				25 April 2018	30 May 2018	14 June 2018	30 July 2018	31 October 2018	04 December 2018	28 February 2019	26 March 2019	
1	***M. Zondi	DMR - Pretoria	State	√	x	x	√	x	√	√	√	5
2	****D. Msiza	DMR - Pretoria	State	x	x	x	x	√	√	√	√	4
3	A. Tshangase	NUM - Head Office	Labour	√	√	√	Resigned					3
4	D. Shikati	NUM - Head Office	Labour	√	√	√	√	√	√	√	√	8
5	F. Stehring	UASA	Labour	√	√	√	x	√	x	√	√	6
6	*A.Teteme	NUM - Head Office	Labour	x	√	√	√	√	√	√	√	7
7	M. Tshilidzi	NUM	Labour	Appointed effective 01 November 2018						√	x	1
8	M. Naki	NUM	Labour	Appointed effective 01 November 2018						x	√	1
9	*M. Ally	Minerals Council of SA	Employers	√	√	√	√	√	√	√	√	8
10	**L. Mogaki	Anglo Platinum	Employers	x	√	x	x	√	√	√	√	5
11	**J. Venter	CTC	Employers	x	√	√	x	x	x	√	√	4
12	**M. Mashego	Harmony	Employers	√	√	x	x	x	x	√	√	4
13	**S. Rogers	Petra Diamonds	Employers	x	√	√	x	√	Resigned			3
14	**P. Gamede	DMR	State	x	√	x	x	√	x	x	√	3
15	**H. Mbiko	DMR	State	√	x	x	x	√	√	√	√	5
16	**M. Kobe	DMR	State	x	x	x	x	x	x	x	x	0

**** Chairperson

*** Acting Chairperson

* Convenor of stakeholder delegation

** Members

SECTION 3: PERFORMANCE INFORMATION

3.1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR-ENDED 31 MARCH 2019

As the Acting Chief Executive Office (CEO), supported by the Chairperson of the MQA Board, confirm that to the best of my knowledge and belief that:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines as issued by National Treasury.
- The Annual Financial Statements (Section 9) have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) that are the standards applicable to the public entity.
- I accept that as the Accounting Officer I am responsible for the preparation of the Annual Financial Statements and the MQA performance information, as well as for the judgements made on this information.
- As the Accounting Officer, I am also responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The MQA Annual Performance Information (pages 21 to 44) and the Annual Financial Statements (pages 82 to 148) as approved by the MQA Board for the year-ended 31 March 2019, has been examined by the external auditors to express an independent opinion and their report is presented on page 73 - 76 of this report.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the MQA for the financial year-ended 31 March 2019.



Tebogo Mmotla

Acting Chief Executive Officer
31 May 2019

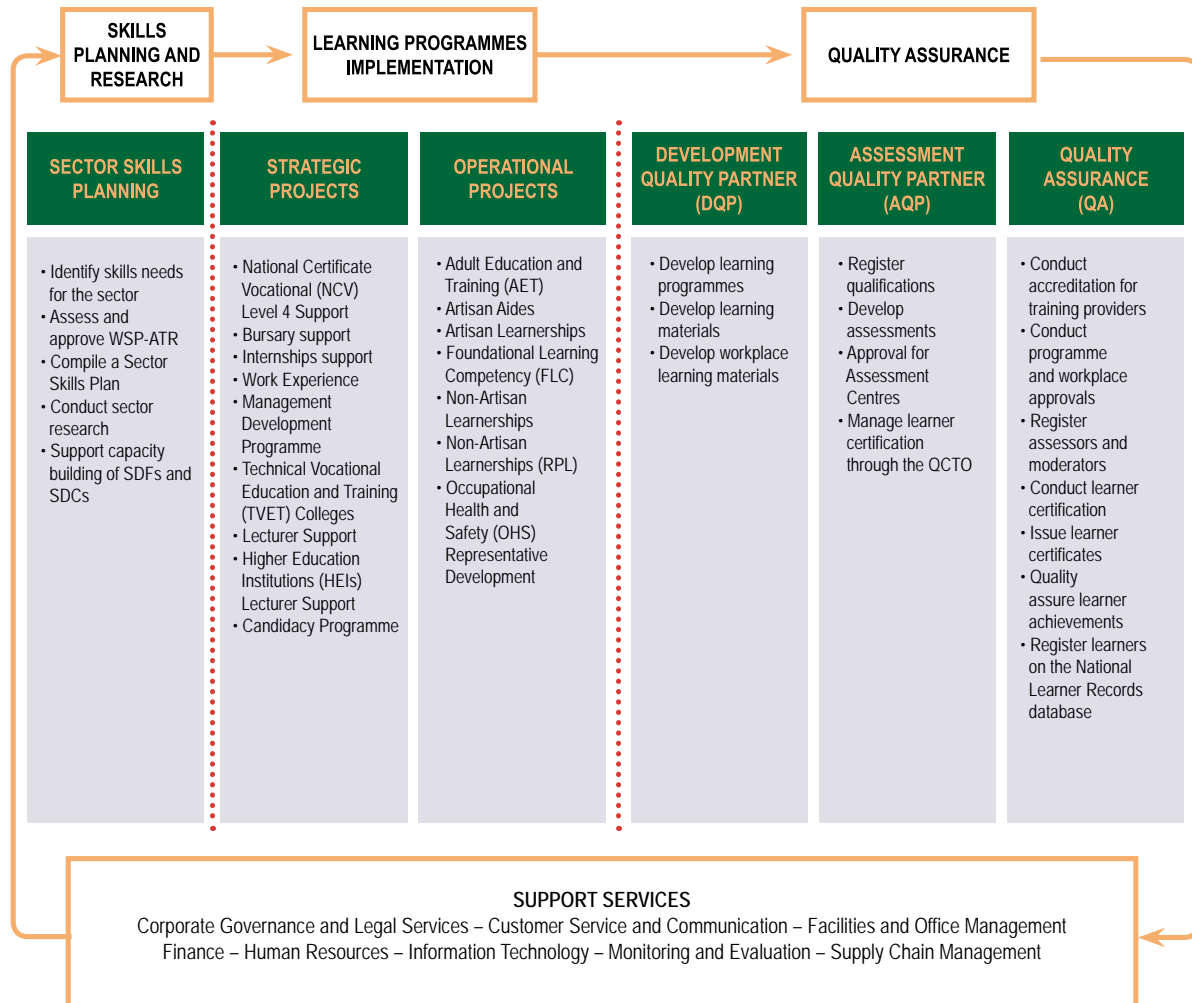


Mr David Msiza

Chairperson
31 May 2019

3.2. SECTOR SKILLS DEVELOPMENT VALUE CHAIN

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



3.3. THE MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD

During the 2018–2019 financial year, the MQA implemented various projects and initiatives in support of the broad-based socio-economic empowerment charter known as the Mining Charter.

The Mining Charter sets out the following objectives:

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

In addition, the Mining Charter has the following elements:

- a) Ownership;
- b) Procurement and enterprise development;
- c) Beneficiation;
- d) Employment equity;
- e) Human resource development;
- f) Mine community development;

- g) Housing and living conditions;
- h) Sustainable development and growth of the mining industry; and
- i) Reporting (monitoring and evaluation).

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

Beneficiation Support

The MQA continued to support the training of learners in the diamond processing and jewellery manufacturing disciplines, and funding a total of **223** learners entering and **665** learners completing programmes in these disciplines in the year under review. A total of **120** of these were learners with disability. Since 2010, a total of 5 309 learners have been trained.

Human Resource Development

The MQA provided **21** capacity building workshops to provide capacity to Skills Development Facilitators (SDFs) and 18 workshops to support Skills Development Committee (SDC) members. Participants to these workshops are made up of past and current SDFs from within the sector as well as members from organised labour groups.

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

Mine Community Development Support

The MQA supported various mine 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 carpentry, bricklaying, agri-skills and road construction. A total of R80 million was disbursed for mine community support.

In addition, **60** community learners were supported with small scale mining skills in the Mpumalanga Province. Career guidance activities were conducted in rural mining communities to highlight career opportunities in the mining and minerals sector, a total of **82** career guidance events were conducted in the year under review.

Historically Disadvantaged South Africa (HDSA) Support

The MQA continued supporting **30** HDSA lecturers at universities. Another **76** black managers were supported

to complete their management development training. The MQA also funded **260** undergraduate bursaries in disciplines related to the mining and minerals sector. These bursaries are targeted at previously disadvantaged learners in rural communities. The MQA increased its Black Economic Empowerment (BEE) level 1–4 spend to 96% of service providers and vendors providing services to the SETA.

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



Focusing on Youth Development for transformation

3.4. ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Performance against targets agreed with the Department of Higher Education and Training (DHET)

Service Level Agreement Performance

Number of Targets Agreed Upon	Number of Targets Not Met	Number of Targets Achieved
33	7	26
100%	21%	79%*

Summary Annual Performance Plan (APP) achievement

Number of Targets Agreed Upon	Number of Targets Not Met	Number of Targets Achieved
43	8	35
100%	19%	81%*

* Organisational performance for the year-ended 31 March 2019 is 80% (79% + 81% ÷ 2)

Summary Discretionary Grant Budget Achievement

Annual Budget	Total Expenditure	Percentage Expenditure
R713 931 010.00	R492 684 000.00	69%

THE MQA ANNUAL PERFORMANCE REPORT FOR THE PERIOD 01 APRIL 2018 TO 31 MARCH 2019

Programme: 1

MQA Strategic Objective : Promote efficient and effective governance and administration

Priority Focus : The aim is to streamline the internal business processes, systems and procedures to meet MQA strategic objectives. This includes the alignment of standing committees with MQA Board objectives and governance to ensure compliance with all legislation.

Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against Annual Target	Annual Achievement %	Comments on Deviation
			Seta Funded			
1.1	Achievement and maintenance of a clean audit outcome	Clean audit	Unqualified	N/A	N/A	Target not met This was due to material adjustments in the Annual Financial Statements
1.2	Ensure full compliance. (reporting, policies, legislation, and sustainability)	1	1	0	100%	Target met
1.3	Achievement of an 80% utilisation of BBBEE Level 1-4 suppliers	80%	96%	16%	96%	Target exceeded This was due to the MQA's continued prioritisation of small, medium and micro enterprises in its procurement processes.
1.4	One Stakeholder Satisfaction Survey every second year for 2014-15, 2016-17, 2018-19 and 2020/21	1 Survey	1 Survey	0	100%	Target met
1.5	Annual International Literacy Day hosted	1 Event	1 Event	0	100%	Target met
1.6	Number of Career Guidance events held per annum	70 Events	82	12	117%	Target exceeded The MQA experienced growth in the demand for career guidance emanating from the sector and government departments such as DHET.



Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against Annual Target	Annual Achievement %	Comments on Deviation
			Seta Funded			
1.7	Adherence to turnaround times prescribed in MQA business processes	100%	100%	0%	100%	Target met
1.8	Percentage of MQA projects monitored (previously number of projects)	85%	100%	15%	100%	Target exceeded This was due to the MQA employing a multi-pronged / risk based approach to the project verification process.
1.9	Number of MQA projects evaluated per annum (Value for Money analysis) conducted	4	4	0	100%	Target met

Programme: 2

MQA Strategic Objective : Improve skills development planning and decision- making through research

NSDS Goal : To establish a credible institutional mechanism for skills planning

Priority Focus : Interventions related to this strategic objective will contribute towards a credible institutional mechanism for skills planning through the conduit of the following initiatives: SDF and SDC capacity building, skills development research, creating and facilitating partnerships and contributing to the body of skills development research within the mining and mineral sector and nationally

Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against	Annual Achievement %	Comments on Deviation
			Seta Funded	Annual Target		
2.1	Number of Skills Development Facilitator capacity building workshops per annum	8 Workshops	21	13	263%	Target exceeded This was due to an increase in the demand for SDF capacity building workshops, the sector requested for 13 more workshops from the 8 planned by the MQA.
2.2	Number of Skills Development Committee Member capacity building workshops per annum	8 Workshops	18	10	225%	Target exceeded This was due to the sector experiencing a high turnover in members of skills development committees. This necessitated an increase in target from 8 to 18 workshops.
2.3	Number of Workplace Skills Plans and Annual training Reports (WSPs-ATRs) evaluated to access mandatory grants per annum	750	759	9	101%	Target exceeded This was due to the MQA implementing an advocacy drive in conjunction with the DMR to encourage more organisations to submit their skills plans and training reports.
2.4	Number of sector research outputs completed per annum	6	6	0	100%	Target met
2.5	Collaborate with public and private sector organisations regarding skills development research in the mining and mineral sector	3	3	0	100%	Target met

Programme: 3

MQA Strategic Objective : 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 mine community training initiatives to access economic opportunities

NSDS Goal : To Increase access to occupationally-directed programmes

Priority Focus : Interventions related to this strategic objective address the core learning programmes inclusive of PIVOTAL programmes needed in the mining and minerals sector

Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against	Annual Achievement %	Comments on Deviation
			Seta Funded	Annual Target		
3.1a	Number of employees entering a learnership per annum	100	102	2	102%	Target exceeded This was due to an increased demand from the sector.
3.1b	Number of employees completing a learnership per annum	900	783	-117	87%	Target not met This was due to an insufficient pipeline of learners from prior years completing training in the current year.
3.1c	Number of employees completing recognition of prior learning (RPL) for learnerships	20	25	5	125%	Target exceeded This was due to the MQA having a sufficient number of learners on the programme that were due for completion during the 2018-2019 financial year.
3.2a	Number of HDSA mining and mineral sector employees that enter a management development programme (MDP) per annum	N/A	N/A	N/A	N/A	N/A
3.2b	Number of HDSA mining and mineral sector employees that complete a management development programme (MDP) per annum	80	76	-4	95%	Target not met This was due to some learners (9) not completing their MDP programme course work within the stipulated timeframe. Of the 85 learners registered on the programme, only 76 were able to complete on time.

Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against	Annual Achievement %	Comments on Deviation
			Seta Funded	Annual Target		
3.3a	Number of employees that successfully complete the Occupational Health and Safety Representatives' skills programme per annum	900	901	1	100%	Target exceeded This was due to an additional learner being taken on to mitigate the risk of a possible drop-out
3.3b	Number of employees supported to complete other Health and Safety Programmes per annum	100	100	0	100%	Target met
3.4a	Number of HDSA mining and mineral sector learners that enter candidacy programme per annum	N/A	N/A	N/A	N/A	N/A
3.4b	Number of HDSA mining and mineral sector learners that complete candidacy programme per annum	50	15	-35	30%	Target not met This was due to an insufficient in-take of learners in the prior year. Only 15 out of the 55 learners that entered the programme in the prior year were eligible for completion in the current year.
3.5	Number of HDSA HET lecturers that enter development programme per annum	30	30	0	100%	Target met
3.6	Number of HDSA TVET lecturers placed for workplace exposure per annum	N/A	N/A	N/A	N/A	N/A
3.7a	Number of learners that enter an artisan programme per annum	275	320	45	116%	Target exceeded This was due to the MQA increasing the allocation for the Artisan programme in response to the DHET drive for SETAs to support TVET Colleges in the TVET Centers of Specialisation project.
3.7b	Number of learners that complete an artisan programme per annum	1300	1306	6	100%	Target exceeded This was due to a number of learners whose completion was delayed and finalised in the financial year.



Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against Annual Target	Annual Achievement %	Comments on Deviation
			Seta Funded			
3.7c	Number of learners that complete an artisan aides programme per annum	N/A	N/A	N/A	N/A	N/A
3.8a	Number of learners that successfully complete AET levels 1-4	820	831	11	101%	Target exceeded This was due to a number of learners whose completion was delayed and finalised in the financial year.
3.9a	Number of unemployed learners that enter a learnership per annum	380	380	0	100%	Target met
3.9b	Number of unemployed learners that complete a learnership per annum	550	1152	602	209%	Target exceeded This was due to most learners that entered the programme in the prior year completing in the 2018-2019 financial year. Out of the 2280 learners that entered, 1152 were able to complete the programme in the current year. The rest completed in the prior year.
3.10a	Number of unemployed learners awarded a bursary per annum.	250	272	10	104%	Target exceeded This was due to a number of allocations made to learners studying at TVET Colleges and as a result of the reasonable cost of fees at the TVET colleges it meant that a larger number of learners could be accommodated.
3.10b	Number of unemployed learners awarded a bursary completing per annum	650	788	138	121%	Target exceeded This was due to the MQA having a sufficient number of learners that were due for completion in the current year.
3.10c	Number of employees awarded a bursary per annum	50	31	-7	86%	Target not met This was due to the late start in the implementation of this new project. Early advertising and advocacy campaigns to the sector will be implemented going forward.



Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against Annual Target	Annual Achievement %	Comments on Deviation
			Seta Funded			
3.11a	Number of undergraduates that enter a workplace experience programme per annum	300	279	-21	93%	Target not met This was due to difficulties experienced in securing sufficient available work places to host new learners.
3.11b	Number of undergraduates that complete a workplace experience programme per annum	350	139	-211	40%	Target not met This was due to an insufficient pipeline of learners from prior years completing training in the current year. A significant number of the 637 learners that entered the programme in the 2016-17 financial year, required only vacation work (2 months) which is not reported as completion of work experience, that takes 2 years.
3.12a	Number of TVET NCV graduates that enter a work placement programme per annum	100	100	0	100%	Target met
3.12b	Number of TVET NCV graduates that complete a work placement programme per annum	100	126	26	126%	Target exceeded This was due to having a large pool of 250 learners that entered the programme in the prior year.
3.13	Number of graduates that enter an internship programme per annum	100	114	14	114%	Target exceeded This was due to a high demand on internship programmes during the year and the availability of suitable employers who showed interest in mentoring more graduates.
3.14a	Number of Mine Community beneficiaries enter a training programme per annum	100	151	51	151%	Target exceeded This was due to a high demand on the mine community projects.
3.14b	Number of Mine Community beneficiaries complete a training programme per annum	100	312	212	312%	Target exceeded This was due to a sufficient pipeline of learners from previous years completing training in the current year
3.15a	Number of unemployed youth in mining communities and labour sending areas that enter training programme per annum.	150	201	51	134%	Target exceeded This was due to a high demand on youth development projects.



Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against Annual Target	Annual Achievement %	Comments on Deviation
			Seta Funded			
3.15b	Number of unemployed youth in mining communities and labour sending areas that complete training programme per annum.	100	161	61	161%	Target exceeded This was due to a sufficient pipeline of learners from previous years completing training in the current year.
3.16	Number of beneficiaries trained in small-scale mining per annum	50	60	10	120%	Target exceeded This was due to a sufficient pipeline of learners from previous years completing training in the current year.

Programme: 4

MQA Strategic Objective : Ensure the delivery of quality learning programmes in the mining and minerals mector.

NSDS Goal : To Increase access to occupationally-directed programmes

Priority Focus : Interventions related to this strategic objective will ensure that the MQA delivers optimally and efficaciously on:

- Development of external assessment tools,
- Quality assurance of learner achievements,
- Monitoring and evaluation of quality of the delivery and assessments and supporting the sector to develop sufficient training and development capacity, including support for historically disadvantaged training providers to attain accreditation

Ref No	Programme Performance Indicator	Annual Target	Annual Achievement	Variance Against Annual Target	Annual Achievement %	Comments on Deviation
			Seta Funded			
4.1	Number of training providers quality assured per annum	200	229	29	115%	Target exceeded This was due to a high demand in the request for programme approvals and scope extensions.
4.2	Review and develop learning programmes for the mining and minerals sector	50	53	3	106%	Target exceeded This was due to a need to review existing learning programmes for the mining and minerals sector.
4.3	Number of historically disadvantages South Africans training providers accredited	10	6	-4	60%	Target not met This is due to only 6 of the 13 SMMES / HDSA training providers supported during the year being ready for accreditation by 31 March 2019. The MQA will continue to support the remaining 7 entities to ensure that they achieve accreditation.

3.5. Skills Development and Research

The MQA is mandated to develop the Sector Skills Plan (SSP) in terms of the Skills Development Act and in accordance with the National Development Strategy III. The SSP is a five-year report aimed at analysing the sector and its associated skills requirements. The MQA has to update the SSP annually to determine skills shortages and gaps identified in the WSP-ATR submitted by organisations within the mining and minerals sector (MMS), and through research, guide skills planning and interventions to fulfil the needs of the sector.

The primary source for skills planning and pivotal demand skills list for the mining and minerals sector is the workplace skills plans and the annual training reports. The WSP-ATR serves as an instrument used by the MQA to collect information annually from individual organisations and as a criteria to release mandatory grants, provided that the MQA requirements are met.

Furthermore, the MQA undertakes analysis of the WSP-ATR submissions annually to examine trends, skills requirements and priorities for the sector. The MQA uses research to enhance objective decision-making for skills development. This is in line with establishing a credible institutional mechanism for skills planning in the mining and minerals sector. The sector consists of organisations whose operations are classified accordingly in terms of 44 Standard Industry Classification Codes (SIC Codes) representing 9 sub-sectors.

Within the MQA, the Skills Development and Research unit is responsible for administering the sectoral data and managing the implementation of research by carrying out the activities listed below:

1. Manage the administrative process;
 - Manage the registrations of Skills Development Facilitators and the Inter-SETA transfer process;
 - Support Skills Development Facilitators and Skills Development Committees within the sector through capacity building sessions;
 - Collect organisational specific labour market information through the workplace skills plan and annual training report (WSP-ATR) and ensure accuracy and reliability of data;
 - Customise data to inform the SSP update;
 - Evaluated the workplace skills plan and annual training report (WSP-ATR);
 - Update the Organising Framework for Occupations after every two years; and
 - Facilitate the disbursement of mandatory grants by the regulated timeframe.
2. Manage the implementation of quality research (research determination, research delivery and research dissemination) by:
 - Ensuring data is well interpreted for proper analysis and representation;
 - Developing and annually updating the Sector Skills Plan as a legislative imperative; and
 - Conduct research (including through research partnerships) as a functional imperative to provide labour market intelligence to highlight skills requirements for the sector.

The achievements reflected on Programme 2 of the APP:

Programme Description	Annual Target	Achievement
Number of Skills Development Facilitator capacity building workshops per annum	8 Workshops	21
Number of Skills Development Committee members capacity building workshops per annum	8 Workshops	18
Number of workplace skills plans and annual training reports (WSP-ATRs) evaluated to access mandatory grants per annum	750	759
Number of sector research outputs completed per annum	6	6
Collaborate with public and private sector organisations regarding skills development research in the mining and minerals sector	3	3

Skills Development Facilitator (SDF) and Skills Development Committee (SDC) Workshops

The MQA is committed to building a culture of service excellence to its stakeholders. The SDFs and SDCs contribute to the improvement of sector skills as process owners by ensuring that skills development takes place within their respective organisations. Therefore, building the capacity of Skills Development Facilitators and Skills Development Committee members remains a priority. The table below reflects programmes, targets and achievements which were committed during the period under review.

Evaluation and Approval of submitted Workplace Skills Plan and Annual Training Report (WSP-ATR)

The MQA is committed to establishing a credible mechanism for skills planning in the mining and minerals sector. During the year under review, the process of evaluating the mandatory grant applications (submitted WSPs-ATRs) began in quarter 2 after the submission cut-off date in preparation for disbursement. There was

a notable increase of 759 submissions compared to the 2017-2018 submission of 719. Below is a breakdown of the WSP-ATR target, number of submissions and approvals:

WSP-ATR target as per Annual Performance Plan	WSP-ATR Submitted	WSP-ATR Approved
750	759	721

Below is a provincial breakdown of 2018-2019 submissions:

Province	WSP-ATR Submitted	WSP-ATR Approved
Eastern Cape	9	9
Free State	20	20
Gauteng	301	275
KwaZulu-Natal	36	36
Limpopo	59	58
Mpumalanga	128	123
North West	94	93
Northern Cape	61	59
Western Cape	51	48
Grand Total	759	721

Mandatory Grant payments*

Below is a figure of mandatory grants paid to organisations that submitted the WSP-ATR and met the payment criteria during the financial year under review:

Budget 2018-2019	Payments 2018-2019
R230 582 886.00	R242 597 434.15

Research Outputs

Research is key to the Post School Education and Training (PSET) system realising the vision outlined by the White Paper for Post-School Education and Training. It can provide insights into the PSET system and the constituencies it serves; about the success or otherwise of policies and their implementation. It also enables practitioners to test and compare diverse theories and approaches to the provision of PSET as well as the development of leading-edge information, services and applications for the system. Most importantly, research can make available the evidence on which the SETA is able to make decisions, review policy and improve upon the system, services and practices.

Through our depth of research and engagement with stakeholders, the MQA remains well placed to understand

the national and local context of the sector, recognise the skills challenges presented and deliver solutions as enshrined in the Sector Skills Plan. The MQA research activities were driven by the NSDS III and informed by the MQA strategic outcome oriented goal 2: *Improve skills development planning and decision-making through research* of the Strategic Plan and Annual Performance Plan documents, to continually inform and support objective decision-making for skills development planning in the sector.

During the year under review, the MQA invested close to R972,110.24 in one externally commissioned research project (Green Skills Comprehensive Study) and the rest (five research projects) were carried out by internal research team as outlined in the MQA research agenda for 2018-2019.

The following table reflects the targets and objectives of all achieved research outputs for the 2018-2019 financial year as reflected on the APP.

Project Title	Research Objective
2019/20 Sector Skills Plan Annual Update	Updating the SSP as per DHET requirements for the DHET submission on 01 August 2018
WSP-ATR Analysis 2017 Submissions	Develop a profile of the MMS in terms of the geographic location, size and composition of organisations that submitted WSP-ATR to the MQA for the 2017/18 financial year. The report profiles the mining and minerals sector workforce as well as the training priorities identified in the 2017 WSP-ATR submissions
8-Year Trends Analysis (2010-2017)	To provide updated trends and analyses of the sector in terms of geographic location, size and composition of the mining and minerals sector companies. This also captured the trends in training offered over an 8-year period of WSP-ATR submissions
WSP-ATR Analysis 2018 Submissions	Develop a profile of the mining and minerals sector in terms of the geographic location, size and composition of organisations that submitted WSP-ATR to MQA for the 2018-2019 financial year. The report shall profile the mining and minerals sector workforce as well as the training priorities identified in the WSP-ATR submissions in 2017-2018
9-Year WSP-ATR submission Trends Analysis (2010-2018)	To provide a 9 year trends analyses of the WSP-ATR submissions received by MQA during the past 9-year period of submissions. The analysis includes a trend of the mining and mineral sector in terms of geographic location, size and composition of companies. This research gives a detail analysis of the trends in training offered and reported in WSP-ATR submitted over a 9-year period
Green Skills Comprehensive Study	Exploring what are the 'green skills' needs within the entire mining value chain. The research was composed by case studies in all the mining and minerals sub-sectors (excluding the coal sub-sector) and focused on priority areas such as: 'green skills', air/water pollution, scarce green skills, influence of green skills on career pathing, and green skills demand and supply challenges

Collaboration through partnerships with public and private sector research organisations

The MQA, as a skills development driven organisation, entered into Memoranda of Agreements with public and private sector research organisations to allow SDRU to collaborate with these organisations in research of mutual interest. The purpose is to enhance skills development research in the sector by focussing on a wide range of topics such as technology, women and health and safety issues in mining. To that effect, the MQA entered into MoAs for research collaboration with the following sector research organisations:

- CSIR - Impact of technological changes in the mining and mineral sector.
- Mintek- Impact of technological changes in the mining and mineral sector.
- Mining Health and Safety Council - Understanding occupational health and safety matters in the mining and mineral sector.

During the year under review, all the targets as outlined in the MQA Strategic Plan and Annual Performance Plan were met.

3.6. Learning Programmes – Strategic Projects

The Learning Programmes Strategic Projects unit administered seven Strategic Projects during the year under review.

These projects are:

1. Higher Education Institutions Lecturer Support;
2. Work Experience;
3. Internships Programme;
4. TVET Colleges Support - NCV Level 4 learners;
5. Management Development Programmes Support;
6. Bursaries; and
7. Candidacy Programme.

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

Project Name	Annual Targets	Quantitative Achievements	% Achievements
Internship programme learners entered	100	114	114%
Work Experience (university student placement) entered	300	279	93%
Work Experience (university student placement) completed	350	139	40%
Bursaries unemployed learners entered	250	260	104%
Bursaries unemployed students completed	650	788	121%
Bursaries employed students entered	50	43	86%
Candidacy programme completed	50	15	30%
TVET Student placement entered	100	100	100%
TVET Student placement completed	100	126	126%
Higher Education Institutions Lecturer Support	30	30	100%
Management Development Programme (MDP) completed	80	76	95%

3.6.1. Higher Education Institutions Lecturer Project

This programme focused on assisting eight universities to achieve employment equity and transformation by supporting the development of historically disadvantaged lectures. A total of **30** lecturers were supported in the Mining, Geology and Mine Survey departments of the participating universities, during the year under review.

The following universities participated:

University	No. of Lecturers
University of South Africa	4
University of the Witwatersrand	5
University of Johannesburg	7
University of Venda	2
University of Fort Hare	2
University of Pretoria	4
University of Limpopo	2
University of Cape Town	4
TOTAL	30

3.6.2. Work Experience

The MQA supports learners to obtain their university of technology qualifications by enabling them to gain the required practical work experience which is a required component of this regulated training. During the reporting year, a total of **279** out of a set annual target of **300** learners were placed within mining companies for workplace experiential training.

For the year under review, 139 learners completed their work experience programme.

3.6.3. Internships

The project provides structured work experience for young unemployed graduates from Higher Education Institutions to complement the scarce and/or critical skills qualifications required by the mining and minerals sector. During the reporting period, **114** graduates out of a target of 100 graduates were placed at different mining companies to gain work experience.

3.6.4. TVET NCV Level 4 Learners Project

The MQA supported TVET NCV level 4 learners to obtain the Artisan Qualification through placing them with the host employers. The NCV curriculum includes extensive practical components, but learners often exit these programmes without the necessary practical skills. The project was a strategic intervention to equip such graduates with practical skills. Out of a target of 100 graduates entered in the programme, **100** were supported.

A total of 126 NCV graduates qualified as artisans in the year under review.

3.6.5. Management Development Project

The aim of the project is to facilitate the development of mining and minerals sector employees in the area of supervision or management to support the transformation targets of the sector. A total of **76** out of a target of **80** learners were supported to complete the management development programmes in the year under review.

3.6.6. Bursary Project

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

Bursary achievements

- During the financial year under review, the set annual target of 250 for bursar intake was exceeded, and **272** unemployed bursars from universities, universities of technology and TVET colleges benefited.
- A total of **788** bursars completed their qualification.
- The MQA has entered into Memorandum of Agreements with some of the Higher Learning institutions, to streamline payment processes to institutions and avoid random transfer of funds to learners.

3.6.7. Candidacy Programme

The candidacy programme aims to support those that are employed and even unemployed graduates to obtain a relevant government certificate of competence. Once they attain the certificate of competence, HDSAs are available for senior roles within the sector. This intervention links with the priorities of supporting transformation of the

sector as well as the development of the sustainability of the sector, and improving health and safety standards employed at mines.

The project was set to support 50 candidates to attain their Government Certificate of Competency and other certificates of competencies. However, only **15** candidates were supported due to insufficient intake of learners in the prior years.

3.7. Learning Programmes – Operational Projects

The Learning Programmes Operations Unit is responsible for the administration of the following six (6) projects:

3.7.1. Artisan Development

The Artisan Learnership Programmes offered by the MQA seeks to address the core and critical artisan skills needs in the mining and minerals sector.

3.7.2. Non-Artisan Development (Learnerships)

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

3.7.3. Non-Artisan Recognition of Prior Learning

The Recognition of Prior Learner programme seeks to recognise employees in the industry who have experience within those core and critical skills areas.

3.7.4. Adult Education and Training Development

Addressing the low level of youth and adult language and numeracy skills to enable access to further training and development in intermediate and advance skills within the mining industry.

3.7.5. Occupational Health and Safety Representative Development

The objective of the OHS Project is to train employees in the mining and minerals sector on critical occupational health and safety skills programmes including health and safety representatives.

3.7.6. Other Health and Safety Programmes

The objective of the Other Health and Safety Programmes is to train employees in the mining and minerals sector on other health and safety related programmes other than the Health and Safety Representatives. The focus in this programme is the “Trackless Mobile Machine Operations - Underground Hardrock”



Artisans at a TVET college

3.7.7 Learners Funded by the MQA


The achievement against set the Annual Performance Plan targets for the 2018-2019 financial year are depicted in the table below:

PROJECT	INDICATOR	TARGET	ACHIEVEMENT
Artisan Programme	Number of learners entered	275	320
	Number of learners that successfully completed	1300	1306
Non-artisan Programme	Number of employed learners entered	100	102
	Number of unemployed learners entered	380	380
	Number of employed learners completed	900	783
	Number of unemployed learners completed	550	1152
Non-Artisan RPL	Numbers of learners supported on RPL	20	25
OHS Rep Development	Number of employees successfully completed OHS Representatives programmes	900	901
Other Health and Safety Programmes	Number of employees supported to complete other Health and Safety Programmes per annum	100	100
AET: Employed and Unemployed Learners Completion	Number of learners that successfully complete AET programmes.	820	831

3.7.8 Learners Funded by the Mining Sector

The achievement against set Service Level Agreements with DHET targets for the 2018-2019 financial year are depicted in the table below:

PROJECT	INDICATOR	TARGET	ACHIEVEMENT
Artisan	Number of learners entered Artisan Programme	575	1194
	Number of learners that successfully completed Artisan Programme	1600	1447
Non-Artisan	Numbers of employed learners entered	100	584
	Number of unemployed learners entered	880	1126
	Number of employed learners completed	900	1235
	Number of unemployed learners completed	1050	1356
Non-Artisan RPL	Numbers of learners supported on RPL.	20	27
OHS Rep Development	Workers entering skills programmes	10000	17451
	Unemployed entering skills programmes	2000	2728
OHS Rep Development	Workers completing skills programmes	4400	34960
	Unemployed completing skills programmes	2000	4321
Adult Education and Training (AET): Employed and Unemployed Learners	AET Programmes Entered	2200	2324
	AET Programmes Completed	820	1177



The target for the number of learners that successfully complete artisan programmes is the only one that was not met due to the insufficient pipeline of learners from prior years completing this intervention.

The improvement in performance in the current financial year has been due to more realistic target setting. During the year under review the MQA made improvements with target setting by examining trends over the past years.

Challenges that were encountered in the implementation of the projects included the return of allocations by numerous

mining companies quoting the following reasons for not being able to take up learners:

1. Organisational restructuring
2. Retrenchments
3. Budget constraints

This situation was mitigated by the reallocation of discretionary grants to other companies who were able to take up learners in the financial year.

3.8. Quality Assurance

The MQA Quality Assurance unit has a legal mandate to ensure quality learning and education delivery within the mining and minerals sector is aligned in terms of the National Qualifications Framework Act 2008 including signed Quality Council for Trades and Occupations (QCTO) delegated functions. These include but are not limited to the following:

- a) Ensure the review and development of learning programmes and assessment development including associated learning materials.
- b) Mandatory functions for identifying and approving workplaces; conducting quality assurance function as delegated.
- c) Conduct quality assurance learner achievements for certification including uploading into National Learners Records Database (NLRD).
- d) Implementation of SETA strategic national initiatives as per the Department of Higher Education and Training.

In order for this function to be conducted, collaboration with all stakeholders and dedicated technical expert teams, including community of experts practitioners that

perform functions as Quality Assurance sub-committee, is endorsed by a standing QA committee established as per the terms of reference ratified by the MQA Board.

3.8.1. Development and Review Learning programmes

The MQA coordinates the review and development of learning programmes including the development of assessments and learning materials.

The MQA is also delegated as a Development Quality Partner (DQP) by the QCTO to manage the process of developing specific occupational qualifications, curricula and assessment specifications. During the financial year 2018-2019, a total of **53** learning programmes were developed/revised.

- The MQA is further delegated as an Assessment Quality Partner (AQP) body to review and develop assessment tools bank and centres criteria for acquired Occupational Qualifications. A total of **15** assessment tools (exemplar and assessment addendum) were submitted to the QCTO for approval. The AQP compiled quarterly and annual reports and these were submitted to the QCTO for the 2018-2019 financial year.

3.8.2. Accreditation and Programme approval audits including workplace approvals with related assessors and moderators registration

- During the period under review, there was a total of 185 accredited programme training providers with at least 174 training providers with recorded learners, whilst 11 had not captured any learners on their granted scope, and 3 training providers accreditation had lapsed.
- The MQA conducted monitoring in 36 workplaces, 152 compliance monitoring as well as 41 accreditation audits, totalling **229** monitoring activities conducted. All 41 training providers were approved or retained their full accreditation, thus they were issued with accreditation certification and MQA flags as per the internal accreditation standard.
- There were **6** HDSA training providers that acquired accreditation through internal support and guidance, including benefiting from the discretionary grant.
- Further, the MQA provided administration for 25 trade institutions within the mining sector; these are trade test centres as approved through the standard of the National Artisan Moderation Body (NAMB). Only 23 trade test centres were effective whilst **2** of the trade test centres requested serial numbers for trade testing during the period under review.
- There were 834 moderator and assessor applications received with 620 meeting the registration requirements; these consisted of 514 assessors and 106 moderators. A further 90 assessors were granted scope extension, 71 assessors moved from one provider to another on various MQA qualifications, skills programmes and unit standards; 214 assessors and moderators that requested registrations did not meet the criteria.

3.8.3. Learner Completion and Certifications including uploading

The MQA continues to be responsible for issuing certificates, including NLRD upload for historically registered qualifications. There are **80** Historically Registered Qualifications (HRQs) with associated skills programmes for the mining and minerals sector with only **46** qualifications that were effectively used by accredited training providers during the period under review.

Through the process of Quality Assurance of Learner Achievements (**QALA**), the MQA ensures quality delivery and assessments for learning including learner and provider certification.

Learner achievement numbers are provided in the table below:

TYPES	ACHIEVED (April 2018 to March 2019)
Skills Programmes Statement of Attainments	23 570
OHS Representative Statement of Attainments	5 759
Non-Artisan Learnership Qualifications	3 394
*Artisan Qualifications Completions	1 513
*Trades Qualifications Certificates Issued	1 442

**Artisan Trades certifications are issued by QCTO through the National Artisan Moderation Body, whilst the MQA continued with the trade test allocations for only 12 trades and its associated administration.*

During the financial year under review, there were **32 723** certificates issued including the form of Statement of Attainment for skills programmes with the exclusion of re-issues that were requested.

- A total of **3 954** learner certificates were also verified
- Requests for **1 625** re-issues of learner certificates were handled
- A total of **41** Provider accreditation certificates were issued

- The QA ensures adherence to and maintaining of the National Learner Records Data (NLRD), including uploading of learner achievements in terms of SAQA standards. During the period under review, the MQA achieved GREEN status in both league tables.

3.8.4. Support National Initiatives for standardised learning

The MQA continues to support the Department of Higher Education and Training (DHET) on the Centre

of Specialisation (CoS) implementation through TVET colleges for selected trades occupations, further ensuring the collaborations for workplace and approved TVET colleges as per DHET standards. During the period under review, **14** employers were approved and allocated grants for commitment to host learners for the duration of training, partnering with the TVET colleges as Skills Development Providers, focusing on knowledge and practice including capturing.

The table below stipulates CoS work done during the period under review:

NO	COMPANY NAME	TRADES	No. of allocated Grants	Approved SDP (TVET college)	PROVINCES
1	Slater Coal (Pty) Ltd	Boilermaker	8	Majuba (Newcastle)	KwaZulu-Natal
2	Ergo Business Development Academy	Boilermaker	15	Ekurhuleni East	Gauteng
3	Foskor (Pty) Ltd	Diesel Mechanic	4	Mopani South	Limpopo
4	Glencore Operations South Africa (Pty) Ltd	Diesel Mechanic	3	Orbit (Mankwe)	North west
5	Hernic Ferrochrome (Pty) Ltd	Electrician	3	Orbit (Brits)	North West
6	Palabora Copper (Pty) Ltd	Diesel Mechanic	5	Mopani South	Limpopo
7	Richards Bay Mining (Pty) Ltd	Millwright	5	Mfolozi (Richtec)	KwaZulu-Natal
8	Seriti New Denmark Colliery	Millwright	8	Gert Sibande (Standerton)	Mpumalanga
9	Tharisa Minerals	Electrical	3	Orbit (Brits)	North West
10	Tharisa Minerals	Diesel Mechanic	6	Orbit (Mankwe)	North West
12	Trollope Mining Services (200) Pty Ltd	Boilermaker	3	Ekurhuleni East	Gauteng
13	Tronox Mineral Sands (Pty) Ltd	Millwright	2	Mfolozi (Richtec)	KwaZulu-Natal
14	VH Exploration and Fabrication NPC	Boilermaker	10	Ekurhuleni East	Gauteng

Note: Forskor requested to withdraw due to the urgent need for their business strategy review.



Learners participating in a training programme



SECTION 4: STAKEHOLDER RELATIONS

The Stakeholder Relations unit is mandated through the regional offices to:

- Document the MQA's skills development initiatives and report these to relevant Human Resource Development (HRD) forums in the nine provinces;
- Devise stakeholder management plans and inform the various stakeholders on the work of the MQA;
- Represent the MQA in various corporates events, thus profile the work of the MQA;
- Support stakeholders in ensuring that their issues related to the business of the MQA are speedily resolved;
- Assist TVET colleges to ready themselves to be accredited for work skills programmes;
- Participate in post grade 8 career guidance sessions, both in the schooling and TVET education systems; and
- Monitor and evaluate mine community projects.

4.1. Regional Office Network

The MQA's offices are located in the following places:

	Regional Office	TVET College
1.	Mpumalanga	Nkangala TVET
2.	Northern and Western Cape	Kathu Northern Cape Rural TVET
3.	Eastern Cape and KwaZulu-Natal	King Sabatha Dalindyebo TVET
4.	Limpopo	Sekhukhune TVET
5.	North-West	Old Shopping Complex, Mooi-nooi
6.	Free State	Goldfields TVET

The regional offices received various requests via walk-ins to the offices and emails.

A total of **2 422** walk-ins were recorded in the regional offices for the 2018-2019 financial year. The enquiries varied from accreditation information, certificates (collections and applications), and queries in relation to learnership agreements as well as payments.

Number of Walk-Ins Throughout the MQA Regional Offices						Total
North West	Eastern Cape	Free State	Limpopo	Mpumalanga	Northern Cape	All Regions
324	180	194	626	572	526	2 422

WSP-ATR SUPPORT

The regional offices continued to offer support to employers on the WSP-ATR submissions. The non-levy paying employers were assisted with both inter-SETA transfers and payments of levies for those not linked to a SETA.

4.2. Skills Development Committee (SDC) Capacity Building Workshops

The SDC Capacity Building workshops are attended by SDFs (Primary and Secondary), HRD staff, and representatives from organised labour and non-organised labour, as well as by senior management. During this reporting period, an excess of 18 SDC workshops with **222** beneficiaries were carried out by regional offices.

4.3. Participation and Partnerships

The regional offices participated in a number of forums which included the Premier Skills Development forums, Inter-SETA forums and TVET College Councils amongst others.

The common factors of these forums are:

- Artisan development programmes by the DHET;
- Career exhibitions by the Department of Education (DoE);
- Progress reports by TVET colleges (urban and rural);
- Revision of the HRD landscape by the Office of the Premier and meeting schedules;
- Progress reports on the local government sector;
- SETA's progress reports (Inter-SETA);
- Presentation by provincial departments.

4.3.1. TVET and Community Education and Training Support

During the reporting period, the MQA signed partnership agreements in relation to assessor and moderator training as well as governance and leadership support with 26 TVET colleges and 7 Community Education and Training colleges:

No.	TVET College	Province
1	King Sabatha Dalindyebo TVET College	Eastern Cape
2	King Hintsa TVET College	
3	Maluti TVET College	Free State
4	Flavius Mareka	
5	Goldfields TVET College	
6	Motheo TVET College	
7	Ekurhuleni East TVET College	Gauteng
8	Majuba TVET College	KwaZulu-Natal
9	Coastal KZN TVET College	
10	Umfolozi TVET College	
11	Elangeni TVET College	
12	Sekhukhune TVET College	Limpopo
13	Vhembe TVET College	
14	Mopani SE TVET College	
15	Capricorn TVET College	
16	Waterberg TVET College	
17	Letaba TVET College	
18	Gert Sibande TVET College	Mpumalanga
19	Nkangala TVET College	
20	Orbit TVET College	North West
21	Vuselela TVET College	
22	Northern Cape Urban TVET College	Northern Cape
23	Northern Cape Rural TVET College	
24	College of Cape Town	Western Cape
25	False Bay TVET College	
26	West Coast College	

Community Colleges

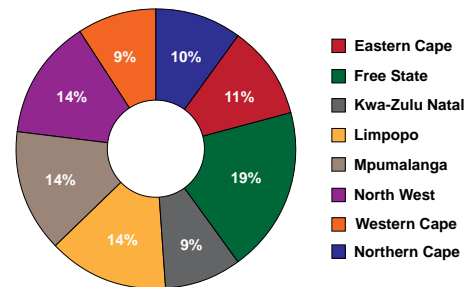
1.	Eastern Cape Community Education and Training College
2.	Western Cape Community Education and Training College
3.	Free State CET Community Education and Training College
4.	North West Community Education and Training College
5.	Kwa-Zulu Natal Community Education and Training College
6.	Gauteng Community Education and Training College

4.3.2. Career Exhibitions

The MQA regional offices participated in **71** career guidance events. The following areas amongst others were the focus for the exhibitions:

- Subject choices;
- Maths and science;
- Bursary opportunities; and
- Artisan and non-artisan career advice.

CAREER GUIDANCE 2018-2019 REGIONS



4.4. Mine Community Development Programme

The mine community development programme is a strategic programme that aims to respond to skills needs within rural communities nationwide. This is met by the mine community portable skills training, youth development as well as small scale mining programmes.

During the 2018-2019 financial year, **1 331** beneficiaries were trained in the various provinces.

Upon completion of the training, the programmes have indicated a clear exit strategy to place beneficiaries in jobs as well as skill them in enterprise development.

Below is a list of mine community projects and other projects approved for 2018-2019

Rural Development Projects			
Project	Province	Project Description	Beneficiaries
Motheo TVET College	Free State	Youth Development: Portable Skills Training	30
Bokoni Platinum Mine	Limpopo	Mine Community Development Programme	248
Foskor (Pty)Ltd	Limpopo	MCD: Portable Skills Training	720
Sekhukhune TVET College	Limpopo	Youth Development: Portable Skills Training	30
Bana Ba Thari	Limpopo	MCD: Portable Skills Training	99
Mintek	Mpumalanga	MCD: Small Scale Mining	90
Orbit TVET College	North West	Youth Development: Portable Skills Training	9
Kolomela Mine (Sishen)	Northern Cape	Mine Community Development Programme	45
Standard Corp Group (Verge)	North West and Limpopo	MCD: Portable Skills Training	60
			1 331



Mine Community Support for rural community

4.5. International Literacy Day (ILD)

The International Literacy Day event is an annual event celebrated nationally in September. On the day the importance of literacy amongst the communities, societies and individuals is celebrated and honoured. The Mining Qualifications Authority and the National Union of Mineworkers in partnership with Richards Bay Minerals celebrated International Literacy Day on Saturday, 08 September 2018 at the Zululand Chamber of Business, Richards Bay, KwaZulu-Natal with 1 123 delegates in attendance. The event for 2019 will be hosted in the Free State province.



MQA staff and Board members at the International Literacy Day event

SECTION 5: CORPORATE SERVICES

The Corporate Services Department plays a key role within MQA by providing support functions in the form of Human Resources, Legal, Facilities and Office Management, Customer Service and Communication.

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

5.1. Human Resources

Human Resources (HR) is a strategic function of the organisation and contributes immensely to the creation,

enforcement and inculcation of a high performance culture. The employee life cycle from entry to exit, is managed by HR.

The HR unit offered services to the MQA, guided by the 12 strategic objectives, namely, Performance Management; Human Resources Development; Labour Relations; Recruitment and Selection; Workforce Planning; HR Policy Reviews; HR Administration and Financial Management; HR Information System and Record Management; Employee Engagement and Wellness; Risk Management and Compliance; Organisational Development; and Remuneration and Reward.

5.1.1. Human Resources Planned Deliverables

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

Deliverables	Planned Activity	Comment
Performance Management	Implementation of Performance Management Policy in order to create a high performance culture	Several engagements were held with line managers to ensure that their key performance areas are structured accordingly.
Human Resources Development	Improve staff skills level by providing for study assistance and training through workshops	There was focus on developing Specialists and Administrators during the first quarter. An amount of R834,250.62 was spent on study assistance and R408,137.00 was spent on training and development workshops. A total of R1,242,387.62 as spent in total. A total of 19 employees across all occupational levels received study assistance while 82 participated in training and development workshops.
Labour Relations	Train managers to manage disputes internally	Line managers were trained on how to handle labour related matters so as to maintain good relations amongst employees.
Recruitment and Selection	The HR unit had planned a timeous occupation of all vacancies within the MQA	There were 12 vacancies at the beginning of the reporting period. One vacancy at top management and two senior management vacancies were successfully filled, including other vacancies below management level.
Employee Engagement and Wellness	Rollout in partnership with the Customer Service and Communication unit, an Employee Engagement Programme called "My World"	The HR unit in partnership with the Customer Service and Communication unit, hosted a My World event that coincided with Heritage Day celebrations. The staff was encouraged to wear their traditional attire. HR presented on diversity at the workplace and how to respect and accept each others' cultures.
	Planned activities for Heritage Day	A combined Wellness Day and the My World event was hosted by the Customer Service and Communication and HR units.
	Embed the Employee Assistance Programme through an appointed Wellness Service Provider (ICAS)	The appointed wellness service provider continued to provide employee assistance to staff. Employees were encouraged to engage with the Employee Assistance Programme, aimed at helping employees with occupational issues including financial management.
Policies and Procedures	Update HR policies due for review	The Recruitment and Selection policy was approved by the MQA Board and was communicated to all staff

5.1.2. Personnel Cost per Occupational Level (Includes Temporary Staff)

Occupational Level	Personnel Expenditure (R'000)	% of personnel expenditure to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	R6 373 747.08	8.07%	4	R1 593 436.77
Senior Management	R21 862 608.00	27.68%	19	R1 150 663.58
Professionally Qualified	R21 106 090.00	26.72%	28	R753 788.93
Skilled Technical	R27 304 200.34	34.57%	88	R310 275.00
Semi-Skilled	R1 365 227.34	1.73%	8	R170 653.42
Unskilled	R979 913.15	1.24%	6	R163 318.86
Total	R78 991 785.91	100.0%	153	R516 286.18

5.1.3. Performance Rewards (Includes Temporary Staff)

Occupational Level	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	R00.00	0.00%
Senior Management	12	R1 645 716.01	2.10%
Professionally Qualified	28	R2 990 979.65	3.81%
Skilled Technical	88	R3 329 826.78	4.25%
Semi-skilled	1	R32 478.52	0.04%
Unskilled	6	R157 952.96	0.20%
Total	135	R8 156 952.96	10.40%

5.1.4. Training and Development

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee
Training and Development	R78 427 631.92	R408 137.00	0.5%	82	R4 977.28
Study Assistance	R78 427 631.92	R834 250.62	1.1%	19	R43 907.93
Total	R78 427 631.92	R1 242 387.62	1.6%	96	-

5.1.5. Employment Vacancies

Occupational Level	Approved Posts	No. of Employees	No. of Vacancies	% of vacancies
Top Management	6	4	2	33%
Senior Management	19	19	0	0%
Professionally Qualified	30	27	3	10%
Skilled	55	50	5	9.0%
Semi-skilled	8	8	0	0%
Unskilled	6	4	2	33%
Total	124	112	12	9.6%

5.1.6. Employment Changes

Occupational Level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	1	0	4
Senior Management	17	4	2	19
Professionally Qualified	26	2	1	27
Skilled Technical	53	2	5	50
Semi-skilled	2	6	0	8
Unskilled	5	0	1	4
Total	106	15	9	112

5.1.7. Reasons for Staff Leaving

Reason for Staff Leaving	Number of Employees	%
Death	-	0%
Resignation	7	6.3%
Dismissal	1	0.9%
Retirement	1	0.9%
Ill health	-	0%
Expiry of contract	-	0%
Total	9	8.0%

The MQA employee staff turnover in the reporting period is 6.5% for both permanent employees on fixed term contract. The turnover is due to employees being open to better opportunities. The MQA staff turnover rate is relatively low compared with the sector.

5.1.8. Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary Action	Number Of Disciplinary Actions
Verbal Warning	1
Written Warning	0
Final Written Warning	1
Dismissal	1

5.1.9. Employment Equity Target and Employment Equity Status 31 March 2019

Occupational Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	0	0
Senior Management	6	5	2	2	0	1	0	1
Professionally Qualified	14	16	0	0	1	1	2	2
Skilled Technical	31	58	1	1	0	0	0	0
Semi-skilled	6	0	0	0	0	0	0	0
Unskilled	4	5	0	0	0	0	0	0
Total	62	86	3	3	1	2	2	3

Occupational Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	4	0	0	0	0	0	0
Senior Management	10	10	0	0	0	0	0	0
Professionally Qualified	8	10	1	1	1	1	0	0
Skilled Technical	15	26	2	2	1	2	0	0
Semi-skilled	2	2	0	0	0	0	0	0
Unskilled	0	1	0	0	0	0	0	0
Total	38	53	3	3	2	3	0	0

Foreign National Male at Senior Management

Occupational Levels	Employees with Disabilities			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professionally Qualified	1	0	0	0
Skilled Technical	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	1	0	0	0

5.2. Legal and Governance

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

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

The Legal and Governance unit attended to numerous queries which ranged from drafting of agreements, drafting of legal opinions and assisting in fraud investigations. The unit shall continue to provide its role in a professional manner, in particular, concentrating on legal risk prevention and mitigation through the hosting of training workshops and the development of an effective legal and governance framework. During the year under review, the legal and contract process flows were amended and communicated to the employees.

The contract tracking schedule is used to track agreements within the organisation. On a quarterly basis, the unit produces the contingent liabilities report which is tabled at the Audit and Risk Committee.

5.2.1. Contract Management

Contract management can be said to be the effective contract administration and the management of contracts made with Stakeholders, vendors, partners or employees.

This involves negotiation, support and effective management of agreements.

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

The unit manages all the contracts on behalf of the MQA and the Unit drafts Memoranda of Understanding (MoUs) on behalf of other units. These MoUs are generally agreements which do not contain any financial obligations are on the MQA's part and the other party to the agreement, and at times used as the first step in signing an agreement. The use of a MoU is important in forming and formalising relationships with stakeholders.



List of MQA MoAs	
Unit	Total Number
Skills Development and Research	4
Stakeholder Relations	37
Total	41

5.2.2. Legal Services

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

The unit also commenced with a process to appoint a panel of attorneys to assist the MQA in the provision of expert legal opinions and litigation support. This is an important step in ensuring that the MQA receives the best and most up-to-date external legal support.

No. of CCMA and Litigation Matters			
Description	Total	Resolved	Ongoing
No. of CCMA Cases	15	10	5
No. of Litigation Cases	8	2	6

5.3. Customer Service and Communication

The role of the Customer Service and Communication unit involves the management and directing of internal and external communication, as well as the facilitation of effective reporting and recording of stakeholder interactions within the MQA. At a national level, the function is guided by the Department of Higher Education and Training's (DHET's) mandate of ensuring effective stakeholder information. Sharing and engagement within the mining sector at a strategic level, it is guided by the MQA Strategic Plan and the five-year MQA Board approved Integrated Communication Strategy 2016-2020, and at, an operational and planning level it is guided by the units annual Operational Plan. This Annual Report overview provides a comprehensive report on the activities planned and implemented by the Customer Service and Communication unit during the 2018-2019 financial year.

5.2.3. Compliance and Governance

The unit is responsible for ensuring that the MQA complies with its legislative and regulatory obligations. Corporate Governance refers to the rules, practices and processes which control and direct the MQA. The unit is also responsible for the interests of all MQA stakeholders. This view informs how the unit performs its functions in all respects.

The unit has been reviewing and aligning the current MQA constitution to the gazetted SETA constitution. This alignment will be key to ensuring that the MQA complies with best corporate governance practices.

5.2.4. Personnel Development and Management

The unit has two personnel currently, namely the Legal and Governance Manager and the Legal and Governance intern. The unit is committed to ensuring that its personnel is up to date with the most relevant laws through rigorous and continuous professional development research.

5.3.1. Strategy Management and Implementation

During the year under review, the unit focused its delivery on the implementation of the Board approved MQA 2016-2020 Integrated Communication Strategy. This is aligned to the DHET Annual Performance Plan (APP), the MQA Strategic Plan, as well as the annual Customer Service and Communication Operational Plan.

The implementation of the unit's strategy was supported by research, where a Stakeholder Satisfaction Survey was conducted to measure the perception of its stakeholders in a number of areas that are highlighted further in this report (see 2.5. below). All activities implemented were supported by an approved budget that was tracked and monitored throughout the financial year. The unit also ensured that all supply chain management policies and corporate governance principles were adhered to in the course of the delivery of its mandate.

5.3.2. Marketing and Communication

EVENT MANAGEMENT

Career Guidance Events for the Gauteng Province

Career guidance is an Annual Performance Plan deliverable. During the 2018-2019 financial year, a target of 70 career guidance events was set in the MQA's Strategic Plan as well as in the Annual Performance Plan.

The career guidance target was split as follows, for the financial year:

Department	Area	Target	Actual Achievement	Achievement Status
Customer Service and Communication unit	Gauteng	10 events	11	Exceeded
MQA Regional Offices	Eight South African provinces	60 events	71	Exceeded
	Total	70 events	82	Exceeded

Participation in Career Guidance Events for the Gauteng Province

No	Date	Name of Event	Area	Municipality	No. of Schools	No. of Days	No. of Learners
1	03-04 May 2018	Fochville Career Expo	Fochville	Merafong City Local Municipality	2	2	28
2	14-16 May 2018	Randfontein Career Expo	Kagiso	Mogale City Local Municipality	6	3	147
3	12-13 June 2018	Bram Fischer Career Expo	Roodepoort	West Rand District Municipality	4	2	9
4	28 June 2018	2018 Youth Commemoration Expo	Soweto	City of Johannesburg Metropolitan Municipality	10	1	38
5	20 July 2018	Mintek	Randburg	City of Johannesburg Metropolitan Municipality	10	1	20
6	06-10 August 2018	Sci-Bono National Science Week	Newtown	City of Johannesburg Metropolitan Municipality	6	4	71
7	23 August 2018	Dreams Socio-Economic Expo	Orange Farm	City of Johannesburg Metropolitan Municipality	13	1	107
8	27 September 2018	Career and Business Expo	Vosloorus	Ekurhuleni Metropolitan Municipality	32	1	82
9	22-25 February 2019	World Skills and Career Festival	Durban	eThekweni Municipality	10	4	153
10	07-08 March 2019	Career Awareness and Jobs Expo 2019	Ivory Park	City of Johannesburg Municipality	3	2	103
11	14-15 March 2019	2019 National Skills Conference	Boksburg	City of Johannesburg Municipality	5	2	45
Total					101	23	803

National Corporate Events

In the execution of its role, the unit plans and organises a number of identified corporate events for both internal and external stakeholders to further extend its promotional and career guidance activities. These events ensure ongoing engagement with stakeholders and to provide them with relevant information in order for them to actively participate in skills development interventions. A number of key events that took place during the financial year are highlighted below:

No	Event	Event Theme	Key Host	Target Audience	Date	Venue
1.	Learner Focus Week	Science Awards and career guidance	Department of Mineral Resources attended by the Eastern Cape regional office	Maths and science learners	1 to 5 July 2018	Nelson Mandela North Campus in Summerstrand, East London
2.	Nelson Mandela Centenary	Care for those in need	CS and Comm Unit	Disadvantaged communities	18 July 2018	Melville Homeless Community
3.	Albertina Sisulu Centenary	Celebrating Women and R10 000 donation	CS and Comm Unit	Disadvantaged communities	8 August 2018	Andries Meyer Old Age Home, Eldorado Park
4.	International Literacy Day	Celebrating 100 years of Madiba magic	Stakeholder Relations Partners	AET learners and FLC learners	3 September 2018	Richards Bay Zululand Chamber of Business, Richards Bay
5.	My World Themed Events	Embracing Unity in My World on Heritage Day	CS and Comm Unit	MQA employees	21 September 2018	MQA Head Office
7.	Corporate Identity Workshop	You are your brand	CS and Comm Unit	MQA employees	11 October 2018	
6.	My World Themed Events	Professionalism, Communication and Service Excellence in my world	CS and Comm Unit	MQA employees	30 November 2018	MQA Head Office
8.	Annual Consultative Conference	Harnessing mining growth through superior skills	CS and Comm Unit	All MQA stakeholders	02 November 2018	Parktonian Hotel, Braamfontein
9.	Mining Indaba Conference and Exhibition	Investing in Africa	Department of Mineral Resources supported by CS and Comm Unit	World-wide mining and mineral sector stakeholders	4 to 7 February 2019	Cape Town International Convention Centre (CTICC)
10.	World Skills South Africa Competition and the National Artisan Development Career Festival	Try a Skill	DHET, CS and Comm Unit, LP Operations Unit, Durban Natal Portland Cement and Ashok Jewellers as co-exhibitors for the mining sector	Learners in artisan trades, jewellery manufacturing and design, high school learners	23 to 25 February 2019	Durban International Convention Centre (DICC)
11.	National Skills Conference and Awards	Building a demand-led skills development system that focuses on inclusive economic growth	National Skills Authority (NSA), supported by CS and Comm Unit	All skills development stakeholders, including learners and institutions of higher learning	14 to 15 March 2019	Birchwood Hotel and Conference Centre Boksburg, Gauteng
12.	Stakeholder Engagement Forum – Gauteng	Keeping stakeholders informed	CS and Comm Unit	The mining and minerals sector key role players as well as institutions of higher learning	27 March 2019	Pyramid Conference Centre, Johannesburg Gauteng

Skills Development Recognition and Awards Event

The mining and minerals sector received a number of awards at the National Skills Authority Conference Gala Event held on 14 March 2019. The event was hosted by the National Skills Authority.



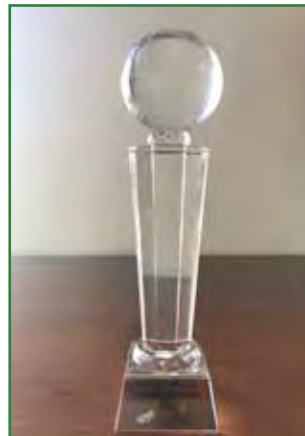
Glencore Coal Mining delegates receiving their award



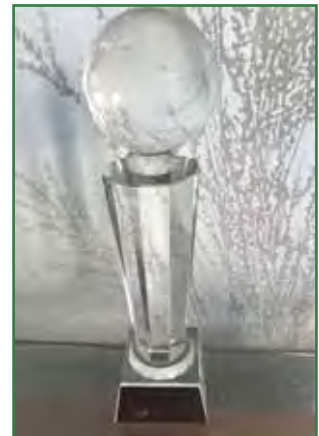
Mr Mike Pneuma of Pneuma Jewellers receiving the Silver Award



Mr Norman Landman of Zurel Bros. SA receiving the Recognition Award



MQA Bronze Award



Below are the awards received by the mining and minerals sector:

Category	Award
Outstanding SETA Category	The MQA achieved a Bronze Award in this category
Recognition Award Category	Zurel Bros SA and Tendele Coal Mining were awarded the Recognition Award
Best Skills Development Award Category	Glencore
Minister's Individual Award Category	Mr Mike Pneuma of Pneuma Jewellers was awarded Silver by the Minister

The key challenges of this deliverable is budget cuts which means that there is less participation for career guidance events that require payment. Budget constraints also impact on travel, accommodation and subsistence costs.

PRINTED MEDIA

Advertisements Published

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 **16 advertisements** were published during the year under review. These included promotional and information advertisements, tenders, recruitment and marketing adverts.

No	Date	Media	Advert Published	Unit	Type of Advert
1.	15 April 2018	Sunday Times	Contingent liability: The MQA records indicate that the following companies were at some point in the recent past allocated grants for hosting learners in learning programmes that were funded by the MQA	Strategic Planning	Call to Action
2.	26 April 2018	Government Gazette	Advert announcing winning bidders: Appointment of Service Providers per province to implement the Maths and Science Project in nine provinces	Supply Chain Management	Tender
3.	11 May 2018	Government Gazette	Notice to invite nominations to serve on the Board of the Mining Qualifications Authority	Corporate Services	Appointment
4.	13 May 2018	Sunday Times	Notice to invite nominations to serve on the Board of the Mining Qualifications Authority	Corporate Services	Appointment
5.	18 May 2018	Government Gazette	Notice of winning bidders for tender MQA/43/17-18.	Supply Chain Management	Tender
6.	01 July 2018	Post Matric	Pursue a rewarding career in the mining and minerals sector	Customer Service and Communication	Marketing in a magazine
7.	08 July 2018	Sunday Times	The MQA invites public and private institutions to collaborate in the MQA's research projects for 2018/2019 focusing on the mining and minerals sector's skills development agenda	Skills Development and Research	Request for Proposals
8.	20 July 2018	Government Gazette	MQA/03/18-19: The MQA wishes to engage the services of a suitably qualified project management company to replace an outgoing service provider and manage the project for artisan development in the Northern Cape	Supply Chain Management	Tender
9.	20 July 2018	Government Gazette	Notice of winning bidder for tender MQA/46/17-18	Supply Chain Management	Tender

No	Date	Media	Advert Published	Unit	Type of Advert
10.	10 August 2018	Government Gazette	Notice of winning bidder for tender MQA/45/17-18	Supply Chain Management	Tender
11.	21 August 2018	Careers Unlimited for Learners: 2019 Edition	Passionate about careers in the mining and minerals sector	Customer Service and Communication	Marketing in a magazine
12.	16 September 2018	Sunday Times	Invitation to the Mining Qualifications Authority 2018 Annual Consultative Conference	Customer Service and Communication	Event promotion
13.	23 November 2018	Government Gazette	Cancellation of appointment of a service provider to project manage an Artisan Development Project in the Northern Cape	Stakeholder Relations	Tender
14.	07 December 2018	Government Gazette	Invitation to serve on two committees of the Mining Qualifications Authority	Corporate Services	Tender
15.	10 March 2019	City Press	Call for submission of evidence for training conducted for and on behalf of the Mining Qualifications Authority and mandatory grants claims	Strategic Planning	Announcement
16.	17 March 2019	City Press	The Mining Qualifications Authority would like to extend an invitation to its stakeholders to attend the Gauteng Stakeholder Engagement Forum	Customer Service and Communication	Event promotion

Newsletter (*Printed and Electronic Flip Book*)

The unit compiled and distributed four quarterly newsletters with a print run of 3000 copies per edition. A total of **12000 printed copies** were distributed to companies, training providers and learners on MQA programmes. The electronic flip book version was also uploaded onto the MQA website and MQA's social media handles.

The MQA News continues to be one of the communication channels that stakeholders regard as a positive communication medium that keeps them informed about the MQA.

Marketing Materials Printed

The MQA produces a range of marketing materials such as brochures to inform stakeholders about the role of the MQA, learning programmes that they should participate in, offers advice on the benefits of skills development as well as other programmes such as career guidance information pertaining to the mining sector. The MQA printed a range of marketing materials during the financial year, including:

- 5 000 MQA corporate folders;
- 700 hardcopies and 300 Annual Report on compact disc (CDs);
- 30 USB desk fans for Annual Consultative Conference panel speakers;
- 200 stylus pens for Annual Consultative Conference delegates;
- 300 pens;
- 200 Annual Consultative Conference programmes;
- 1 000 A1/wall calendars;
- 1 000 Tent/desk calendars; and
- 14 000 career guides.

Staff and Stakeholder Communiqués Published

The MQA produces staff and stakeholder communiqués to communicate with internal staff and external stakeholders. A total of **213 staff and stakeholder communiqués** covering a range of topics were compiled and distributed.

Annual Report Published

The 2017-2018 MQA was compiled timeously in compliance with the Auditor-General requirements and was tabled in Parliament by the Department of Higher Education and Training. No parliamentary questions were received pertaining to the Annual Report. The Annual Report was also tabled by the Acting Chief Executive Officer (ACEO) at the Annual Consultative Conference held on 02 November 2018 at the Pyramid Conference Centre in Johannesburg. Following the annual distribution to government departments such as the National Treasury and the Auditor-General, additional requests were received for printed copies. The print run in 2018 was 700 printed copies and 350 Digital Versatile Disk (DVD) copies. The report was also posted on the MQA website.

ELECTRONIC MEDIA

Website Maintenance

The MQA website remains one of the key channels through which the MQA disseminates information to

its stakeholders. It is viewed as a reliable source of information. It captures current, reliable and accurate organisation information that can be accessed and used by all its stakeholders. Management Information Systems such as the MQA-I-Share and the WSP-ATR submission systems are housed on our website. These systems are used by our stakeholders to register and administer various projects and learning programmes.

Social Media

The MQA uses social media as one of the tools to communicate with its stakeholders and is active on three platforms, namely, Facebook, Twitter and Instagram. Below is a summary of the social media activities on the MQA's social media platforms for the period under review:

(a) Facebook Engagements and reach

The page followers for this period under review grew to **1 166**. The table below depicts the number of Audience Engagements, User Reach and Impressions for the period under review:

Activity	Posts	Audience Engagements	User Reach	Impressions
Definition	Posts on Facebook refers to content uploaded	Engagements on Facebook refers to the actions people perform on the content that was posted. They may like a post, click on a link, or comment on an image	This refers to the number of people who had any content from the MQA Facebook page or about the page enter their screen; this includes posts, check-ins, adverts, social information from people who interact with the page and more	Impressions on Facebook refer to the number of times a post is displayed on a user's feed, this also includes the number of times the user sees the same update when a friend shares the same post
Total	128	58 683	665 966	73 183

(b) Twitter Engagements and reach

The page followers for this period under review grew to **247**. The table below depicts the number of Audience Engagements, User Reach and Impressions for the period under review:

Activity	Posts	Audience Engagements	Impressions
Definition	Posts on Twitter refers to content uploaded	Twitter counts an engagement each time someone clicks anywhere on the tweet, including retweets, replies, follows, favourites, links, hashtags, embedded media, username, profile photo and tweet expansion	Impressions on Twitter refers to the number of times a post is displayed on a user's feed, this also includes the number of times the user sees the same update when a friend shares the same post
Total	128	1 466	55 116

(c) Instagram Engagements and reach

The page followers for this period under review grew to **150**. The table below depicts the number of Audience Engagements, User Reach and Impressions for the period under review:

Activity	Posts	Audience Engagements	Impressions
Definition	Posts on Instagram refers to the content and picture uploaded	Engagements on Instagram refers to the actions people perform on the content that was posted. They may like a post, click on a link, or comment on an image	Impressions on Instagram refers to the number of times users saw a particular post
Total	67	946	681

CORPORATE IDENTITY – BRANDING WITHIN THE MQA

Following the successful branding of the Boardrooms in the B-Block, the branding was extended to Blocks C and D at the MQA head office. This was to ensure a uniform look and feel within the organisation. A well branded organisation displays a professional and consistent corporate identity. The unit procured a range of branding materials including but not limited to retractable wall and A-frame banners, table cloths and gazebos. This is to ensure that the MQA is positively promoted at various events and exhibitions around the country. All promotional items and printed materials are designed in alignment with the specification of the corporate identity manual.

The MQA corporate identity compliance is constantly monitored within all operational units and corporate identity templates are used to ensure consistency. The branding at all MQA offices is continuously enhanced in an effort to promote the MQA brand and to show increased provincial presence. The branding has contributed to the much needed improvement to the MQA head office building both internally and externally. The MQA staff and stakeholders have praised the initiative.

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

The Customer Relationship Management (CRM) system focuses on the creation of cases, recording and reporting of stakeholder interactions and tracking their resolution. The system evaluates and monitors the precision of engagement between the various units and stakeholders. The monthly generated reports highlight the resolved cases and those that are pending. 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 has not reached a stage where all customer queries can be effectively recorded on a sustainable basis, but largely records email enquiries on the system.

There was a total number of **4 047** queries recorded onto the CRM system and resolved during the reporting year. The total number of email cases uploaded and resolved in 2018-2019 is as follows:

Case Breakdown Per Unit for Quarter One													Totals			
Number Recorded Per Unit													Captured	Resolved	Pending	To Be Captured
Skills Development and Research																
Bursary																
Quality Assurance																
Operational Learning Programmes																
Strategic Learning Programmes																
Limpopo																
Mpumalanga																
Eastern Cape																
Northern Cape																
North West																
Free State																
Supply Chain Management																
220	792	2 290	104	473	21	47	4	30	5	48	5	4 047	4 047	0	0	0

Key Case Topic per Unit

(a) Quality Assurance

- Re-printing of certificates;
- Verification of trade certificates;
- Moderator and assessor registration forms;
- List of skills programme and unit standards;
- Stakeholders requesting learning material;
- Stakeholder requesting the SOR; and
- Guidelines on accreditation

(b) Skills Development and Research

- Inter-SETA transfers;
- Confirmation of WSP-ATR status; and
- SDF workshop 2018-2019.

(c) Learning Programmes - Strategic

- Application forms and information on internships;
- Accommodation issues; and
- Applications for work experience.

(d) Learning Programmes - Operations

- Grant Application forms for 2018-2019;
- Terminations and extension of agreements; and
- Remittance of grant payments.

(e) Bursaries

- Bursary application form for 2018-2019; and
- Allowance and tuition issues.

(f) Strategic Planning

- Booking for MQA-I-Share training.

(g) MQA Regional Offices

- Re-printing of certificates, verification of trade certificates;
- Moderator and assessor registration forms;
- SDF workshop 2018-2019; and
- Requests for statement of results.

FRONTLINE AND TELEPHONE SERVICE

Telephone Services – Head Office

The MQA's key offering is service. Professionalism amongst its front-line staff is emphasised in its company values. The number of telephone calls received as well as those not attended to, is monitored through a report generated by an external service provider, namely, Comtech.

The total number of calls received at head office for the year under review, is **29 005**. A total of **26 662** calls were

answered. What continues to be of concern for the MQA, is the number of unanswered calls, which was 2 244 for the year.

Frontline “Walk-in” Report and ongoing “On-the-Spot” stakeholder feedback

The number of visitors that access the MQA are monitored through a manual registration system at all MQA receptions. A total number of **8 048** walk-ins throughout the MQA for the year under review was recorded as follows:

Number of Walk-Ins Throughout the MQA for 2018-2019							Total
Head Office	Eastern Cape	Free State	Limpopo	Mpumalanga	Northern Cape	North West	All MQA Offices
5 606	180	194	626	572	526	324	8 028

The Eastern Cape province regional staff also provide support to the Kwa-Zulu Natal province whereas the Northern Cape province regional staff support the Western Cape province.

RESEARCH

Stakeholder Satisfaction Survey 2018

The unit was responsible for the delivery of one Stakeholder Satisfaction Survey for the 2018-2019 financial year. This is an Annual Performance Plan deliverable which was concluded in the fourth quarter of the financial year. The survey audited the perceptions of internal and external stakeholders regarding the services that the MQA delivers and the effectiveness of the MQA's efforts. The areas of focus in the survey included stakeholder engagement, leadership, internal organisational communication, staff training and development, communication, customer service and learning programmes.

As part of the engagement process, a detailed report that included recommendations for implementation to improve customer service both internally and externally, was

communicated to staff and stakeholders at engagement events, held as follows:

No	Date	Presented to:
1.	6 March 2019	Executives, managers and specialists
2.	7 March 2019	Officers, administrators and staff not present on 6 March 2019
3.	27 March 2019	Stakeholders at the Stakeholder Engagement Event at the Pyramid Hotel, Johannesburg

The comparative analysis of the past two surveys was as follows:

Stakeholder	% of sample	% Satisfaction 2016	% Satisfaction 2018
External stakeholders	89.47	73.8	77.6
Board and committee members	9.31	56.2	75.1
Internal staff members	1.35	68.8	66
Total	100%	66.26	72.90

There was close to 10% improvement in the satisfaction levels of MQA stakeholders from 2016 to 2018.

Daily Reception Customer Service Experience

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

During the period under review, out of **143** stakeholders that visited the MQA and completed the “my service experience with the MQA” evaluation form, the results reflect that 15 stakeholders were not happy with the service they received from the MQA employees as opposed to 128 stakeholders who were happy with the service received from the MQA employees.



BUDGET MANAGEMENT AND MONITORING

In order to implement activities in line with the approved Communication Strategy, the budget is an enabler in the effective implementation of planned projects. The unit budget was reduced during the budget review process. This affected some of the achievement of some of the deliverables planned. The total spend of 100% was achieved in the 2018-2019 budget, thus exceeding the target of 80%.

5.4. Facilities and Office Management

The Facilities and Office Management unit is a multipronged functional unit within the Corporate Services which seeks to preserve a healthy, safe and conducive workplace as well as to ensure that the MQA strategic goals are realised. This is achieved through proactive lifecycle management of immovable assets and effective business support services. The unit's key competencies include the following:

- Technical operations and maintenance;
- Occupational Health and Safety and emergency preparedness;
- Space management;
- Utilities management;
- Infrastructure project management (Excluding IT Infrastructure);
- Business support and soft services; and
- Environmental sustainability.

Over and above the protection of employees against the health and safety hazards, the unit continues to uphold high operational standards in order to protect and enhance the value of the MQA's immovable assets while safeguarding business continuity and environmental sustainability. The Facilities and Office Management's value chain is therefore driven mainly by relevant statutory requirements and the needs of the MQA employees, both of which form the basis for an ideal Facilities Management Framework (i.e. Policies, Facilities Strategy and Operational Plans).

Technical Operations and Maintenance

One of the unit's objectives is to preserve and enhance the value of the entire MQA immovable asset portfolio and to contribute towards reducing operational costs through proactive and sustainable means. Amongst others, such means include keeping reactive maintenance to a minimum as a renowned cost driver. During the year under review, the unit intensified its preventative planned maintenance programmes on key infrastructures such as the Heating, Ventilation and Air Conditioning (HVAC)

system and the Standby Power Generator. A minimum of 18 months preventative maintenance programmes have been established. This approach has yielded a significant decrease in the amount of down times and reactive maintenance, thus guaranteeing business continuity and a healthy, safe and conducive working environment. The entire maintenance approach is underpinned by regular risk-based condition assessments which assists in prioritising budgets and maintenance activities. The latter is considered key as it will ensure a more informed budgeting approach for infrastructure maintenance and upgrades in subsequent planning periods.

OHS and Emergency Preparedness

The Facilities and Office Management unit has delegated responsibilities to oversee the implementation of the OHS Act programme across the organisation. The programme is monitored in conjunction with the established OHS Committee through continuous risk assessments and structured internal quarterly audits. The indicative compliance level as at March 2019 was 84%. It is, however, the unit's view that going forward the structured audits should be further verified by an independent and competent individual or firm for a more objective opinion.

Below is an extract of the internal audit:

Quantitative Summary of Compliance to the Occupational Health & Safety & The Relevant Regulations.				
Item No	Description of the MQA's compliance to relevant Section/Regulation/Standards of the OHSA	Compliance Target	Actual Achievement	Score
1	Level of Compliance to relevant Sections of the Act	3	2,50	83%
2	The level of compliance to the General Administration Regulations	3	2,30	77%
3	The level of compliance to the General Safety Regulations	3	3,00	100%
4	The level of compliance to the Environmental Regulations for workplaces	3	2,44	81%
5	The level of compliance to the facilities regulations	3	2,35	78%
6	The level of compliance to the Electrical Installation regulation	3	2,50	83%
Average Compliance Target and Achievement		100%		84%

Space management

The unit's space management objectives are to support efficient and effective work processes as well as to reduce operational costs through controlled space allocation. In the year under review, a desktop space audit was completed and has revealed a potential ineffective utilisation of space, particularly in Block D and Block B. A subsequent analysis conducted by the unit has shown a need for MQA to urgently develop workspace standards in order to set the space allocation criteria and determine whether the hierarchical, functional criteria or a combination of the two is ideal for the MQA's operational setting. A programme of action in this respect will go along with benchmarking with other public and private institutions in the year ahead as well as observing the guiding principles as outlined in the Government Gazette No. 27985. From a long-term perspective, the unit anticipates a significant enhancement of the current space through the exercise.

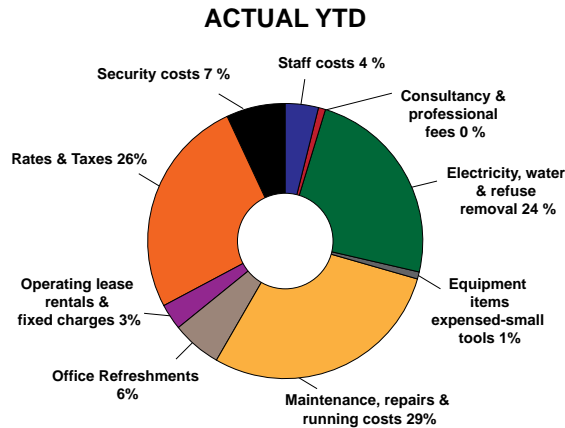
Utilities Management

The utilities, rates and taxes account form a significant portion of any commercial property's operational costs and while there's very little the unit can do to control the rates and taxes, it continues to monitor consumption on utilities through regular meter readings, management of leakages, basic energy efficient means and trend analysis. Within the review period, the consumption on utilities remained steady below the 29% industry benchmark at 24% of the facilities operational costs.



MQA Offices in Parktown

Below is an extract of the unit's operational expenditure:



The unit will in future embark on sustainability programmes (Energy Efficiency) in order to improve the status quo. This is, however, a long term plan.

Infrastructure Project Management

The Facilities and Office Management unit is positioned as a tactical function of the MQA to oversee the initiation, monitoring, controlling and closing processes of infrastructure related projects in exception of the IT infrastructure. The unit successfully completed the installation of the fire detection system which was commissioned and certified compliant on 31 January 2019. Apart from the latter, the current fiscal year was dedicated to preliminary project activities to upgrade existing infrastructure.

The table on the next page outlines the upcoming projects and their respective status:

N.B the HVAC project is a multi-year project which will consist of Part 1: Feasibility Study ending with designs and documentation (2019-2020) while Part 2: Based on

the outcome of Part 1 and its approval will entail tender process installation and commissioning (2020-2021).

Project Description	Status	Progress	Duration	Estimated Budget
Upgrading of the HVAC system	Planning	Terms of reference for Professional Services issued. Once approved, tender, appointment, preliminary assessments, reports, designs and documentation will ensue	24 months	R2000 000 (Part 1)
Design and installation of Municipal Water Back-up system	Procurement	Terms of reference issued, request for quotations is underway	6 months	R300 000.00
Refurbishment of ablution facilities at Block C and D ground floor and staircases	Planning	Terms of reference need to be revised	6 months	R300 000.00

Resources

1.1. Human Capital Management

The unit is currently struggling to strike a balance between the highly demanding environment, particularly with regards to day to day activities such as cleaning, catering and handyman services. The said functions are currently augmented with temporary staff. This in itself poses a labour relations risk as the unit is often compelled to keep the said functionaries for periods beyond the regulated time. There is therefore a need for a strategic intervention to improve the staff complement within the unit. At the least, considerations to appoint one additional cleaner and one technical facilities administrator on a permanent basis, should be done.



Budget

The Facilities and Office Management unit's operations budget was spent significantly. As at 31 March 2019, operations expenditure was at 88% (subject to change after year-end closure). Lack of expenditure on the Consultancy and Professional services item as well as the balance under the Maintenance, Repairs and Running costs are the major items that contributed to the 12% expenditure variance. The maintenance budget item was increased in the latter part of the fiscal year and not much of it could be committed due to time constraints, whereas the Consultancy and Professional services was delayed by protracted internal procurement processes.

Conclusion

Given some of the constraints outlined above, the overall performance of the unit is deemed to be fairly well. Evidently, the unit's focus in some areas was purely operational and the requisite strategic activities were omitted. As a result, the capacity to adequately plan and manage infrastructure related activities was to a certain extent impaired. It is against this background that the unit deems it fit to prioritise the development and enhancement of the facilities policy framework in the ensuing fiscal year to cover critical aspects such as workspace standards and to realign its key performance activities as such.

SECTION 6: INFORMATION TECHNOLOGY

The Information Technology unit is responsible for providing Information and Communication Technology (ICT) infrastructure, computers, application software, cell phones, mobile data and provides first line support for all tools of trade to acquire and use Information and Communication Technologies in a manner which:

- Leverages economies of scale to provide for cost effective Information and Communication Technology services;
- Ensures the inter-operability of its Information Systems with Information Systems of other institutions to enhance service delivery;
- Eliminates unnecessary duplication of MQA information and communication technologies;
- Ensures the security of MQA Information Systems;
- Uses Information and Communication Technologies to develop and enhance the delivery of service at MQA;
- Aligns the use of Information and Communication Technology by staff to achieve optimal service delivery; and
- Plans for system development and integration such as the Enterprise Resource Planning (ERP) system.

6.1. MQA Enterprise Resource Planning Project

The MQA took a decision in 2015 to implement the Enterprise Resource Planning system. This emanated from complaints received from various MQA stakeholders on the challenges and constraints of the current Management Information System (MIS). An Enterprise Resource Planning system is a process management software that allows an organisation to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resource.

Why an ERP system?

- To automate and combine all business functions;
- To render business processes more efficient;
- For easy access to data;
- To enable instant reporting with correct data or information;
- To promote a controlled separation of duties;
- To improve productivity and increase efficiency;

- To minimise software license expenditure; and
- To improve Customer Relationship Management.

The first phase of the ERP system has been implemented; this included the Information Technology Enterprise Architecture (ITEA). This process involved information gathering which ensures that all departmental process flows are documented and more focus is placed on current technological flaws/faults/glitches. The outputs of the Information Technology Enterprise Architecture included the following:

- Applications and Technology Architecture;
- Business Requirements Architecture;
- Information Architecture; and
- The Road Map.

The process to appoint the ERP system implementers began in 2016 and training was initiated up to 2018. A MQA Information Technology Steering Committee was appointed whose composition included a team of IT experts as task team members that provide advice on the projects implementation. The task team consists of one internal IT expert and two external experts. The team's main objective is to ensure that the implementation of the ERP system project is completed within the budget and timeframes, and in a successful manner for all stakeholders.

The appointment of the service provider is at the final stage and it is envisaged that the implementation process will commence by June 2019.

Video Conference Facility

The MQA established six regional offices in Limpopo, Mpumalanga, Free State, North West, Northern Cape and Eastern Cape provinces in response to a call by the Department of Higher Education and Training to all SETAs to open offices in areas where their sector is dominant. A need arose to introduce technology that would reduce the travelling costs of MQA officials in regional offices to travel to head office for meetings. The technology is video conferencing.

What is a Video Conference Solution?

A video conference is a live, visual connection between two or more people residing in separate locations for the purpose of communication.

Benefits of using a Video Conferencing Solution

- Reduced travel time and expenses;
- Helps to improve communication and re-establish relationships;
- Involves the sharing of documents, various presentation materials, and similar group presentation visual aids;
- Enables non-office bound colleagues to hold meetings in separate locations; and
- the organisation saves on traveling costs.

The facility was launched in November 2018 during the annual "My World" event where all business units showcased the services they render as well as new interventions they are implementing. The video conference service is fully functional and is housed at the MQA head office.

6.2. Introduction of a Meeting Management and Governance Tool (The Green Board Pack)

The MQA adopted a drive to support world-wide green initiatives. Its first step in supporting this drive is the introduction of a paperless meeting management tool called Green Board Pack. The Green Board is an electronic meeting and governance solution that allows meeting secretariats to collate meeting packs electronically. It also has a governance component that enables companies to upload governance documents into a knowledge library for easy access.

The rollout of the tool started in March 2019 and is progressing well. Two of the MQA's standing committees have already started implementing the Green Board and the other committees are planning to implement the service in their next committee meetings.

6.3. Challenges

6.3.1 When the six regional offices were established, the organisation overlooked the staffing needs of the IT unit. The unit currently has five personnel, namely, the IT manager, specialist, two officers and an intern. The staff supports 120 end users including the regional offices. Best practice indicates the ratio of 1:10, that is if all end users are in the same vicinity. A proposal has been tabled to introduce two additional IT personnel. This proposal was forwarded to the IT Steering Committee and was endorsed. Subsequent to the IT Steering Committee meeting, the proposal will be tabled at the next Human Resources and Remuneration Committee (HR Remco) for recommendation for Board approval.

6.3.2. The MQA currently has five unintegrated IT systems. This poses too many risks to the business as the lack of integration compromises data integrity, security bridges and access rights management. As indicated above, the organisation is in the process of procuring an integrated system that will support its operations seamlessly, hence the goal of implementing an Enterprise Resource Planning (ERP) system.

6.4.3. Internet connectivity to the regional offices also poses a challenge. The MQA's six regional offices are situated in rural areas where there is limited internet connectivity and in some cases where Telkom's Asymmetric Digital Subscriber Line (ADSL) infrastructure cable is a problem. A number of feasibility studies were conducted to find other alternatives and eventually a solution was found. The proposed internet connection solution is a wireless option that will enable the regions to have direct access to the network resources at the MQA head office. The rollout has been completed; and the regions are able to access network resources at the head office, as they now have allocated internet services in their province.

6.4.4. The National Treasury Central Supplier Database (CSD) poses a huge challenge to our business unit for the acquisition of Information and Communication Technology goods and services. The database has gaps in the following system functionalities:

- The supplier rotation functionality does not work effectively and there is no indication of the interval in which the rotation should take place;
- All suppliers registered in the CSD are registered as general traders;
- The system draws the same suppliers for all commodities, which leads to prolonged acquisitions of goods and services; and
- Delayed response time from National Treasury for queries logged.

The proposed solution to the above is that there should be an exception made by the office of the CFO and CEO for the use of ad-hoc suppliers for acquisition of Information and Communication Technology goods and services.

Aligning the MQA technology offering to the Fourth Industrial Revolution has not been easy. The fear of losing jobs by end users is an issue. End users do not support the introduction of new technologies mainly because of perceived difficulty in adapting to new systems, and they are therefore comfortable with the current system, they are comfortable with current systems and do not want to move with the times. Investing in new hardware that is compatible with new technologies is expensive. This impacts on the IT units limited ability to comply with the demands of new technologies

6.4. Information Technology Culture Analysis

The Information Technology unit's business ethics culture is a good one. Policies and procedures are in place to guide the unit to function appropriately and to engender morals, values and ethics amongst the IT personnel, to enable the unit to conduct its business in an exemplary and professional manner. Information and Communication Technology makes a business more efficient, effective and promptly respond to business needs through ensuring that systems are always fully functional.

SECTION 7 - RISK, MONITORING AND EVALUATION

Strategy and Monitoring and Evaluation are inextricably intertwined. In order to determine the impact of the MQA's return on investment in the mining and minerals sector training programmes, against the number of people trained, the Board established the Monitoring and Evaluation (M&E) Unit.

The Unit currently has seven permanent staff members. M&E is an integral part of the MQA's value chain and its contribution towards, amongst others, organisational strategy, planning, monitoring, impact assessment and evaluation, and risk management enables the organisation to track the impact on skills development in the sector.

7.1. Monitored Projects

Monitoring is an on-going process that focuses on the assessment of projects, programmes and those day-to-day activities and deliverables required for achievement and performance. It is for this reason that the Unit conducted 185 learner verifications to ascertain whether learners are eligible for grants and are receiving training as per training plans, Memorandum of Agreements (MOAs) and Service Level Agreements (SLAs) signed with the MQA. The total number of learners verified was 6 619. Against the annual target of 85%, M&E monitored 100% of the monitorable projects as all the programmes were monitored during the financial year. The table below reflects the number of times monitorable programmes were verified in the current financial year:

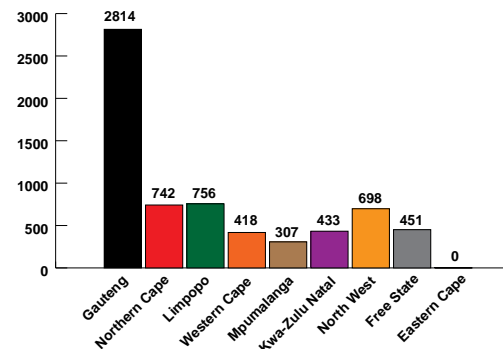
Monitored Programme	Number of Times Monitored	Percentage of Monitored Programmes
Artisans	45	21%
Candidacy	3	1%
Internships	68	31%
Lecturer Support	6	3%
Maths and Science	8	4%
Mine Community (Artisans: 7 and Short Skills Programmes: 5)	12	6%
National Certificate Vocational (NCV)	9	4%
Non-Artisan	20	9%
Non-Artisan: Jewellery	18	8%
Work Experience	28	13%
Total	217	100%

Number of Times Programmes Verified

7.2. Number of Learners Verified per Province

The spread with regard to the 6 619 verified learners per province is as follows:

LEARNERS MONITORED PER PROVINCE



Number of Learners Verified per Province

During the year under review, the monitoring and evaluation policy was implemented with the view to ensuring that:

- Learner verifications are conducted, making use of the risk-based approach;
- Other management compensating controls for tranches such as completion are considered;
- Desktop verifications are formalised;
- The Monitoring and Evaluation unit utilises the limited financial resources more efficiently; and
- MQA's service delivery is improved due to timely grant disbursement.

7.3. Tracer Studies

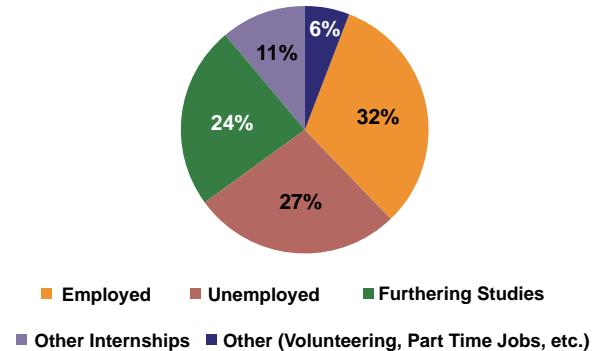
The Monitoring and Evaluation unit is tasked with conducting tracer studies (value for money analysis). The MQA tracer studies are aimed at investigating and exploring the level of the MQA contribution in the advancement of skills development within the mining and minerals sector; the transformation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

During the year under review the unit conducted the following four tracer studies:

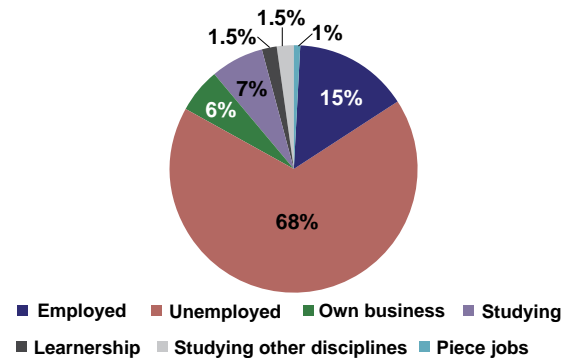
- Bursary;
- Jewellery and Diamond Processing;
- Artisan Development; and
- Internship.

The socio-economic status for the four tracer studies conducted in the financial year as depicted below presents the harsh realities of the economic challenges South Africa is faced with. Although the completion rates are reasonably high, the unemployment rates are also high. The recommendations of each tracer study will assist in the implementation of the programmes going forward.

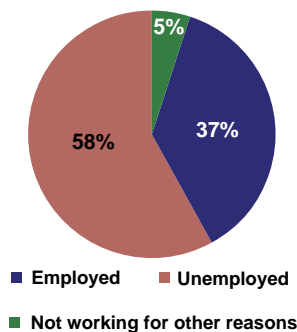
SOCIO-ECONOMIC STATUS FOR BURSARY



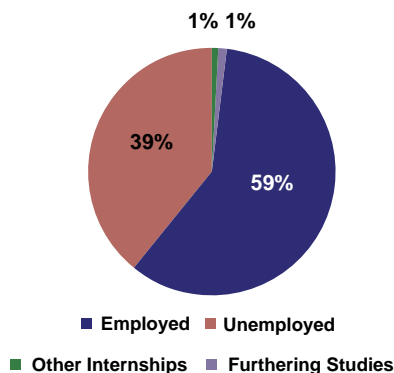
SOCIO-ECONOMIC STATUS FOR JEWELLERY AND DIAMOND PROCESSING



SOCIO-ECONOMIC STATUS FOR ARTISAN DEVELOPMENT



SOCIO-ECONOMIC STATUS FOR INTERNSHIPS



7.4. Audit Tracking

During the financial year under review, the external audit tracking registers for both the 2017-2018 audit report as well as the 2018-2019 interim audit report were developed and monitored. Management was assisted in developing action plans that do not only consider external auditors' recommendations but most importantly, address root

causes so as to prevent recurrence. The status of the implementation of action plans as per the agreed upon deadlines was updated and a determination made on whether the overall status was not implemented, in progress or completed. The overall responsibility for the implementation of action plans was placed on the Executive Management. The status on the tracking registers was presented to Management, Fraud and Risk Committee, Audit and Risk Committee, and the Board.

7.5. Performance Management

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

7.6. Combined Assurance Strategy

In order to ensure that the risk exposure is appropriately mitigated, a combined assurance strategy was fully implemented to ensure proper allocation of responsibility and accountability for the risks to the Executive Management, External Auditors, Internal Auditors, or a combination thereof. The Strategic as well as Operational Risk Registers were updated based on the work of the above mentioned assurance providers. Due to the nature of risk management, the Executive Management is ultimately responsible for all risks within the MQA, hence, they assume overall responsibility and accountability for all strategic risks.

7.7. Risk Management

The MQA Board approved the Risk Management Policy and Strategy. As part of policy implementation, the Strategic and Operational Risk Registers were compiled subsequent to the risk assessment workshops and same were approved by the Board during the 2018-2019 financial year. Risk assessment exercises are conducted once a year and the registers are updated regularly with the

review of the residual risk as and when the implementation of the action plans necessitates such. Emerging risks are considered when registers are updated. Risk Registers are presented to the Fraud and Risk Committee, Audit and Risk Committee and the Board on a quarterly basis.

During the year under review, one strategic risk Adverse impact of policy and regulatory environment materialised.

This was due to the challenges experienced with regard to the appointment of the Accounting Authority since the entity has a dual reporting structure.

Thus, at a residual risk of 20, of the top 10 strategic risks, the highest ranked risk was - Adverse impact of policy and regulatory environment.

Risk No.	Risk Ranking No.	Strategic Objective/s	Risk description at Strategic Objective level	Risk Exposure	Risk Exposure	Risk Owner
				Inherent Risk	Residual Risk	
2	1	Promote efficient and effective governance and administration	Adverse impact of policy and regulatory environment	25	20	Acting Chief Executive Officer

7.8. Fraud Prevention Activities

The MQA has adopted a zero tolerance level towards any form of fraudulent activities. To this extent, a fraud hotline is operational and fraud hotline reports were provided by the external service provider on a monthly basis. The reports were presented to the Fraud and Risk Committee, Audit and Risk Committee and the Board on a quarterly basis. The MQA's has also implemented a Fraud Prevention Policy as a mitigating control that is monitored and reported on to Governance Structures. During the year under review, there was only one hotline issue registered which was also augmented by other complaints received from learners of the same service provider.

7.9. Policies and Frameworks

The following approved policies and strategies are being implemented:

- Monitoring and Evaluation Policy Framework;
- Risk Management Policy and Strategy;
- Fraud Prevention Policy;
- Compliance Policy; and
- Combined Assurance Policy and Strategy.

Anonymous Toll Free Number: 080 131 3557
Email: mqa@thehotline.co.za

SECTION 8: REPORT OF THE AUDIT AND RISK COMMITTEE

We present our report for the financial year ended 31 March 2019.

Audit and Risk Committee Responsibility

The Audit and Risk Committee (ARC) is established as an independent statutory committee in terms of section 51(1) (a) (ii) and 76(4) (d) of the PFMA. ARC has complied with its responsibilities arising from Section 27 of the Treasury Regulations.

This report covers the Audit and Risk Committee's activities for the year ended 31 March 2019, as required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of sections 51 (1) (a)(ii) and 76(4)(d) of the PFMA.

Terms of Reference

The committee operates within a formal set of terms of reference approved by the Board. The Committee's

roles and responsibilities include its statutory duties as per the PFMA. The Board has also assigned additional responsibilities as detailed in the Committee's terms of reference, such as the oversight of the Risk Management function.

The Committee is satisfied that it has performed the statutory requirements for an Audit Committee as set out in the PMFA, and the Terms of Reference for the 2018/19 financial year, as approved by the Board.

Membership and attendance

The Audit and Risk Committee terms of reference prescribe that it be constituted by three independent members as well as three members from each stakeholder, which are the State, organised labour and organised employers. Membership consisted of the following members for the financial year ending 31 March 2019:

MEMBER	CONSTITUENCY	MEETINGS ATTENDED					FEES RECEIVED
		21 May 2018	26 July 2018	20 August 2018	16 October 2018	14 February 2019	
Dr. L Konar*	Independent	✓	✓	✓	✓	✓	R84 582.00
G. Taylor	Independent	✓	✓	✓	✓	✓	R41 916.00
X. Khumalo**	Independent	✓	✓		✓	✓	R44 328.00
J. Hugo	Organised labour	✓		✓	✓		-
A Jatham	Organised labour		✓				-
A. Teteme	Organised labour			✓	✓	✓	R29 916
S. Mokgothu	Organised labour	✓					-
J. Masha	Organised labour	✓	✓	✓	✓		-
M. Ally***	MQA Board representative	✓			✓		-
J. Broderick	Organised employers		✓	✓	✓		-
I. Singo	State representative		✓		✓		-
M Mphuthi	State representative		✓				-

* Chairperson

** Also attended Fraud and Risk Management Committee meetings.

*** Also a MQA Board representative

The term of the last three independent members on the previous page came to an end on the 31 March 2019. The members listed below were appointed from May 2019:

MEMBER	CONSTITUENCY
Ms Khulekelwe Mbonambi (Chairperson)	Independent
Mr Bongani Mbewe	Independent
Adv Collen Weapond	Independent

Committee's role and responsibilities

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

The Chairperson of the Committee reports to the Board quarterly, regarding the Committee's deliberations, decisions and recommendations in line with the approved Terms of Reference.

The key focus areas of the Committee for the 2018/19 Financial Year were as follows:

- 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.

The Effectiveness of Internal Control

The Mining Qualifications Authority (MQA) has a system of internal control to attempt to provide cost-effective assurance that the MQA's goals will be economically, effectively and efficiently achieved. In line with the PFMA, the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and the King Report on Corporate Governance, Internal Audit is required to provide the Audit and Risk Committee and Management with quarterly internal audit reports in terms of its approved annual and three-year rolling Internal Audit Plan.

From our review of the various reports presented by the outsourced Internal Audit function, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General South Africa (AGSA), it was noted that there were no material internal control inadequacies and deficiencies in the system of internal control for the period under review.

Internal Audit

In line with the PFMA and the King Report on Corporate Governance requirements, internal audit provides a reasonable assurance on internal controls in terms of adequacy and efficiency to the Audit and Risk Committee and management. This is achieved by a risk-based internal audit plan with internal audit assessing the adequacy of controls mitigating the risks and the Audit and Risk Committee monitoring implementation of corrective



actions. The Audit and Risk Committee reviewed the internal audit quarterly reports to ensure that internal audit activities were conducted in terms of the approved annual plan.

The committee was satisfied with the completion of the annual internal audit plan by internal audit. From our review of the report of the Internal Auditors, we note that:

- The internal controls are partially adequate and certain significant improvements are required; and
- The Internal Auditors are operating objectively and independently, as well as effectively.

Corrective actions have been agreed by management and are being monitored by the Audit and Risk Committee.

Quality of Management Reports

During the period under review, quarterly management reports were presented to the

Audit and Risk Committee at its meetings. The Audit and Risk Committee noted the content and quality of quarterly management and quarterly performance reports issued during the year under review in terms of the PFMA and National Treasury Regulations.

Risk Management

The MQA established a process for management and monitoring of risks. The MQA has implemented the use of an independently managed fraud hotline. However, the end-to-end risk management process requires improvements. The Audit and Risk Committee has reviewed the strategic risk register and is satisfied therewith. The Audit and Risk Committee is provided with the quarterly progress reports from the Risk Management Committee.

Management has provided the Audit and Risk Committee with assurance on the effectiveness of the risk management system and the Committee notes that the risk assessment process is in place.

Predetermined Objectives

We have reviewed and discussed with the AGSA the audited annual performance information included in the annual report.

External Audit

We have, on a quarterly basis, reviewed the MQA's implementation plan for audit issues raised in the prior year. The Audit and Risk Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA will continue to be monitored by the Audit and Risk Committee on a quarterly basis.

The Committee noted the unqualified opinion issued by the AGSA and agreed therewith. In the opinion of the ARC, the internal controls of the MQA are considered satisfactory to:

- Meet the business objectives of the MQA;
- Ensure the MQA's assets are safeguarded; and
- Ensure that transactions undertaken are recorded in the MQA's accounting records.

Where weaknesses in specific controls have been identified, management has undertaken to implement the appropriate corrective action to mitigate the identified weaknesses.

Internal audit has given reasonable assurance of the effectiveness of the internal control environment.

The internal auditor and the external auditor had unlimited access to the Chairperson of the ARC, and they regularly held separate meetings with the members of the ARC, with the exclusion of management.

Evaluation of Annual Financial Statements

The committee has fulfilled our mandate with regards to the Annual Financial Statements as mentioned below: The Committee has:

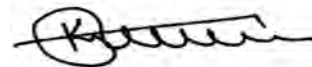
- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Authority;
- Reviewed the AGSA's Management Report and management's response thereto;
- Reviewed changes to accounting policies and practices as reported in the audited Annual Financial Statements;
- Reviewed the MQA's processes for compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives included in the Annual report;
- Reviewed the quarterly and timelines of financial information availed to the Audit and Risk Committee for oversight purposes; and

- Reviewed material adjustments resulting from prior period errors in the previously published Annual Financial Statements of the MQA.

The Audit and Risk Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements and proposes that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

Appreciation

The Audit and Risk Committee wishes to express its appreciation to the AGSA for the detailed report issued on the internal control environment.



Ms Khulekelwe Mbonambi

**Audit and Risk Committee
Chairperson**

DISCLAIMER:

The current Chairperson of the Audit and Risk Committee, notes and acknowledges the report on the activities undertaken by the previous independent Audit and Risk Committee members. For the period under review, the current Chairperson did not participate in meetings held and decisions taken during the 2018-2019 financial year. The current Chairperson on appending her signature on this Audit and Risk report, relies on the MQA management, internal audit and the Auditor General for the accuracy and completeness of the information contained in this report.

SECTION 9: REPORT OF THE AUDITOR-GENERAL

Report of the Auditor-General to Parliament on the Mining Qualification Authority

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mining Qualifications Authority set out on pages 81 to 148, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mining Qualifications Authority as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act of South Africa, 1998 (Act No. 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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the 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 codes.
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 this matter.

Restatement of corresponding figures

7. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2019.

Responsibilities of accounting authority for the financial statements

8. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and the SDA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2019:

Programmes	Pages in the Annual Performance Report
Programme 2 - Sector Skills Planning Research	28
Programme 3 - Learning Programmes/Skills Development	29 - 33
Programme 4 - Education and Training Quality Assurance	34

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following selected programmes:

Programme 2 - Sector Skills Planning research

Programme 3 - Learning programmes/skills development

Programme 4 - Education and Training Quality Assurance

Other matters

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 21 to 44 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

20. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records, as required by section 55(1) (b) of the PFMA. Material misstatements in the cash flow statement and disclosure for financial instruments identified by the auditors in the submitted financial statement were corrected and the supporting records were

provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Other information

21. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report which includes the report of the audit and risk committee, corporate governance, stakeholder relations, corporate services and monitoring, evaluation and risk units. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. The other information I obtained prior to the date of this auditor's report is the report on the corporate governance, stakeholder relations, corporate services and monitoring, evaluation and risk. The report of the audit and risk committee is expected to be made available to me after 31 July 2019.

25. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
26. After I receive and read the report of the audit and risk committee, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

27. I considered internal control relevant to my . audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
28. Management did not implement controls over daily and monthly processing and reconciling of transactions, creditors reconciliations, payments and follow-ups on long outstanding creditors were not performed timeously.

29. The review of the financial statements was not adequate to identify and correct non-compliance with the GRAP statements.
30. There are numerous control weaknesses identified in the control environment of the entity in relation to recognition of expenditure and the accuracy and completeness of information reported in the financial statements.

Auditor-General

Pretoria

31 July 2019



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure -Auditor-General's responsibility for the audit

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

Financial statements

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

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 related to events or conditions that may cast significant doubt on the Mining Qualifications Authority ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease continuing as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

SECTION 10: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR-ENDED 31 MARCH 2019

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Accounting Authority's Responsibilities and Approval

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. 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. 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 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 82 to 148, which have been prepared on the going concern basis were approved by the Accounting Authority on 30 May 2019 and were signed on its behalf by:



D Msiza

Board Chairperson



T Mmotla

Acting Chief Executive Officer



Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Accounting Authority's Report

1. Responsibilities of the Accounting Authority

The Accounting Authority is responsible for the preparation and presentation of 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 this Annual Report.

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.

Further responsibilities of the Accounting Authority include:

- 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.

2. General review of the state of affairs

Total revenue for the period ended 31 March 2019 including donor income, amounted to R1 209 234 000 (2018: R1 120 134 000). The administration levy income received was R149 671 000 (2018: R134 119 000). The administrative expenditure amounted to R134 111 000 (2018: R131 820 000).

The MQA recorded a surplus of R324 617 000 (2018: R205 800 000 restated deficit). Total reserves at the end of the reporting period amounted to R420 963 000 (2018: R96 346 000 restated). Future commitments in respect of discretionary funds amounted to R385 947 000 (2018: R719 605 000, restated) and thus below (exceed) reserves by R35 016 000 (2018: (-R815 951 000), restated).

During the period, R735 281 000 (2018: R1 171 722 000, restated) was spent on mandatory and discretionary grants and special projects, including donor funding expenditure of R7 360 000 (2018: R16 038 000). The following are some of the major spend in respect of discretionary grants and projects during the period:

Accounting Authority's Report

2. General review of the state of affairs (continued)

	2019 R 'millions	2018 R 'millions
	492 684	988 384
Basic Education and Training learner support with Maths and Science	8 011	6 256
Higher Education Institutions (HEIs) and TVET Bursaries	124 087	177 830
Higher Education in-service Training support (Work Experience)	40 167	49 446
Graduate Development Programme (GDP) - Internships	86 164	108 260
TVET College Support Programmes	26 684	44 562
Historically Disadvantaged Individuals (HDSA) lecturer development at HEIs	13 679	10 508
Skills Development Facilitator support, unit standard setting and learning materials	2 672	1 050
Adult Education and Training (AET) and Foundational Learning Competence (FLC)	8 167	24 698
Occupational Health and Safety (OHS) training	2 751	16 115
Support of learners with Coaches in Workplaces	4 410	11 235
Non-Artisan Learnerships	67 096	164 732
Recognition of prior learning (RPL) - Artisan Aides up-skilling to artisan	-	5 215
Artisan Development	90 117	257 848
Unemployed Youth and Mine Community Development programmes	16 248	77 105
HDSA Management and Accredited Training Provider development	2 430	33 575

3. Discontinued projects

During the period under review, the following projects were suspended in an effort to manage the deficit.

- Workplace Coach Development project;
- Management Development programme; and
- HDSA Candidacy project.

4. New projects

During the period under review, there were no new projects or services introduced.

5. Events after the reporting period

A long outstanding debtor amounting to R121 575.85 was approved for write-off after year-end; however, the inability to recover the debtor that existed before year-end. The receivables balances was subsequently adjusted since the conditions existed as at the reporting date.

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Accounting Authority's Report

5. Events after the reporting period (continued)

An amount of R4 001 051.15 was over spent on a contract for one of the contracts and reasons for the overspending were communicated to the funder during the duration of the contract. In terms of the SLA signed with the funder, it made provision for the funder to continue payment on the contract even if there might be any disputes for the benefit of the beneficiaries. Since the reasons for the overspending were justifiable and communicated to the funder, the MQA spent its funds to cover for the unforeseen expenses on the contract. After issue of the financial statement to the Auditor General for audit, the funder responded and indicated that it will not be in a position to cover the overspending. The AFS were subsequently adjusted to write off the debt in line with GRAP 14.

6. Board member attendance and remuneration

Non-Executive Members	Organisation	Constituency	Attendance	Total Fees R'000
				1 172
D Msiza *	DMR	State	4	-
P. Gamede	DMR	State	3	-
H. Mbiko	DMR	State	5	-
M. Kobe	DMR	State	-	-
A. Tshangase	NUM	Labour	3	-
F. Van Straten	UASA	Labour	1	10
A. Teteme**	NUM	Labour	44	407
D. Shikati	NUM	Labour	24	231
O.Nkagisang	South 32	Employers	-	-
E.Howes	Implats	Employers	3	-
L. Mogaki	Anglo Platinum	Employers	9	-
M. Ally***	Minerals Council South Africa	Employers	18	179
J. Venter	Colliery Training College	Employers	4	-
S. Rogers	Petra Diamonds	Employers	-	-
D. Julyan	Minerals Council South Africa	Employers	25	249
W. Van Rooyen	UASA	Labour	2	1
M Zondi	DMR	State	5	-
M Mashego	Harmony	Employer	4	-
M Naki	NUM	Labour	1	11
M Tshilidzi	NUM	Labour	1	11
F Stehring	UASA	Labour	6	73

Notes and legend

Board members are entitled to receive meeting attendance fees and reimbursement for travel expenses except for employees of the state. The total fees disclosed above relate to fees claimed for attendance of Board meetings as well as Board Committee meetings. The Board Committees include, EXCO, Audit and Risk, Finance, Education Training and Quality Assurance, Learning Programmes, Skills Research and Planning as well as task teams formed by the Board from time to time.

* Chairman

** Fees are in respect of attendance of Board meetings and its committees.

*** Fees are paid directly to the Board member's employer, the Minerals Council South Africa.

Accounting Authority's Report

7. Going concern

The MQA derives its revenue from skills development levies receivable from the mining and minerals sector. The Board is of the opinion that the MQA will be a going concern in the foreseeable future as outlined in paragraph 2 of this report. Moreover, the MQA is also established in terms of Mine Health and Safety Act, hence, the MQA continues to adopt a going concern basis in preparing the annual financial statements.

8. SETA re-establishment

SETAs' are established for a five-year period through the provisions of the Skills Development Act. The MQA was given a renewal certificate for its establishment as a SETA until 31 March 2020. The Minister has already approved the National Skills Development Plan (NSDP) and in the plan, it is stipulated that the MQA will not be merged with other SETA's.

9. Responsibility for annual financial statements

The Board is responsible for the annual financial statements.

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Statement of Financial Performance

	Note(s)	2019 R '000	2018 R '000 Restated
Revenue		1 209 234	1 120 134
Revenue from non-exchange transactions		1 164 516	1 065 691
Skills development levy income	3	1 128 424	1 011 332
Skills development levy interest and penalties	3	25 788	33 270
NSF artisan project administration income	14.2	914	2 844
Discretionary grants recoveries	6	2 031	2 207
Government grants and donor funding income	14.2	7 360	16 038
Revenue from exchange transactions		44 718	54 443
Investment income	4	43 405	52 488
Other income	5	1 313	1 955
Expenditure		(884 152)	(1 325 902)
Administration expenditure	8	(134 111)	(131 820)
Employer grants and projects expenditure	7	(735 281)	(1 171 772)
Government grants and donor funding	14.2	(7 360)	(16 038)
NSF artisan project administration costs	14.2	(914)	(284)
Transfers to other public entities (QCTO)	9	(6 487)	(5 988)
Loss on disposal of assets and liabilities		(465)	(32)
Surplus/(Deficit)		324 617	(205 800)

Statement of Financial Position

	Note(s)	2019 R '000	2018 R '000 Restated
Assets		851 283	855 585
Non-current assets		63 727	67 915
Property, plant and equipment	10	62 092	66 323
Intangible assets	11	1 635	1 592
Current assets		787 555	787 670
Receivables from non-exchange transactions	14	60 058	69 707
Trade and other receivables from exchange transactions	12	3 790	2 281
Inventories	13	430	353
Cash and cash equivalents	15	723 277	715 329
Liabilities		430 319	759 239
Current liabilities		430 319	759 239
Grants and transfers payable	17	408 272	740 042
Trade and other payables from exchange transactions	18	8 906	9 811
Provisions	19	13 141	9 386
Net Assets		420 963	96 346
Reserves		420 963	96 346
Revaluation reserves		4 925	4 925
Administration reserves		58 802	62 990
Mandatory grant reserves		553	308
Discretionary reserves		356 684	28 123

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Statement of Changes in Net Assets

	Revaluation reserves	Administration reserves	Mandatory grant reserves	Discretionary reserves	Total reserves	Accumulated surplus	Total net assets
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Balance at 01 April 2017 - as previously stated	-	64 906	301	226 158	291 365	-	291 365
Prior period errors - discretionary grants expenditure	-	-	-	5 917	5 917	-	5 917
Prior period errors - Admin expenditure		-60	-	-	(60)	-	(60)
Balance at 01 April 2017 - Restated	-	64 846	301	232 075	297 222	-	297 222
Deficit for 2018 as previously stated	-	-	-	-	-	(217 694)	(217 694)
Allocation of un-appropriated deficit for 2017 as previously stated	-	809	76 350	(294 853)	(217 694)	217 694	-
Revaluation surplus realised	4 925				4 925		4 925
Prior period errors - discretionary grants expenditure	-	-	-	11 909	11 909	-	11 909
Prior period errors - Admin expenditure		(15)			(15)		(15)
Transfer to discretionary reserves	-	(2 650)	(76 343)	78 993	-	-	-
Restated* Balance at 01 April 2018	4 925	62 990	308	28 124	96 346	-	96 346
Deficit for the year	-	-	-	-	-	324 617	324 617
Allocation of un-appropriated deficit	-	9 922	41 488	273 208	324 617	(324 617)	-
Transfer to discretionary reserves	-	(14 110)	(41 242)	55 352	-	-	-
Balance at 30 September 2018	4 925	58 802	553	356 684	420 964	-	420 964

Cash Flow Statement

	Note(s)	2019 R '000	2018 R '000
Receipts		1 197 601	1 100 723
Levies, interest and penalties		1 151 003	1 044 697
Government grants and donor funding		-	215
Interest income		42 579	53 407
Other cash receipts from stakeholders		4 019	2 404
Payments		(1 186 914)	(1 134 010)
Grant and projects		(1 032 031)	(974 190)
Special projects		(10 362)	(16 053)
Compensation of employees		(89 806)	(85 649)
Payments to suppliers and others		(54 713)	(58 118)
Net cash flows from operating activities	20	10 687	(33 287)
Cash flows from investing activities		(2 738)	(4 069)
Purchase of property, plant and equipment	10	(1 785)	(3 014)
Proceeds from sale of property, plant and equipment		31	-
Purchase of other intangible assets	11	(984)	(1 055)
Net cash flows from investing activities		(2 738)	(4 069)
Net increase/(decrease) in cash and cash equivalents		7 949	(37 356)
Cash and cash equivalents at the beginning of the period		715 328	752 685
Cash and cash equivalents at the end of the period	15	723 277	715 328

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Statement of Comparison of Budget and Actual Amounts

Budget and actual amounts on accrual and comparative basis

	Approved budget	Adjustments	Final Budget	Actual	Variance
	R '000	R '000	R '000	R '000	R '000

Statement of Financial Performance

Revenue from exchange transactions

	55 006	(12 509)	42 497	44 718	2 221
Other income	-	-	-	1 313	1 313
Interest received - investment	55 006	(12 509)	42 497	43 405	908

Revenue from non-exchange transactions

	1 117 914	(72 187)	1 045 727	1 164 516	118 789
Government grants & subsidies	-	-	-	7 360	7 360
NSF Artisan Project Admin: Income	-	-	-	914	914
Discretionary grants recoveries	-	-	-	2 031	2 031
Skills Development Levy: Income	1 117 914	(72 187)	1 045 727	1 128 424	82 696
Levy: Interest and penalties	-	-	-	25 788	25 788
Total revenue	1 172 920	(84 696)	1 088 224	1 209 234	121 010

Total expenditure

	1 172 919	(84 695)	1 088 224	884 152	(204 072)
Personnel costs	85 111	1 264	86 375	85 042	(1 333)
Transfer to QCTO	6 377	380	6 757	6 487	(270)
Depreciation and amortisation	5 174	1 415	6 589	6 461	(127)
Repairs and maintenance	1 315	543	1 858	1 638	(220)
Employer grant and project expenditure	1 033 411	(83 898)	949 513	735 281	(214 232)
Government grants and donor funds	-	-	-	8 274	8 274
General expenses	41 531	(4 399)	37 132	40 969	3 837
Operating surplus/(deficit)	1	(1)	-	325 082	325 082
Loss on disposal of assets and liabilities	-	-	-	(465)	(465)
Surplus/(Deficit) for the year	1	(1)	-	324 617	324 617

Statement of Financial Position

Capital Expenditure	47 920	(192)	47 728	2 769	(44 959)
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Statement of Comparison of Budget and Actual Amounts

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 2018 to 31 March 2019. The budget was approved in February 2018 and revised in October 2018, to adjust for revenue trends observed during the first nine months of the financial year.

MATERIAL DIFFERENCES BETWEEN THE REVISED BUDGET AND ACTUAL AMOUNTS

Revenue

The variance of 10% was due to lesser reversal of prior levies by the South African Revenue Services (SARS).

Expenditure

Actual expenditure was below the approved budget by 19% because the MQA only issued grant allocation letters and contracted late than what was anticipated.

Capital Expenditure

Actual expenditure was below the budget mainly because the development of the new Enterprise Resource Planning System (ERP) will only commence in the second quarter of the next financial year.

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards.

The 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 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).

1.2 Revenue from non-exchange transactions

Skills Development Levy (SDL) income

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

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

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

Administration cost (including 0.5% transfer to QCTO)
Mandatory grants
Discretionary grants and projects

2019
10.50%
20.00%
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.

Accounting Policies

1.2 Revenue from non-exchange transactions (continued)

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

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

Inter-SETA transfers

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

When transfers from other SETAs to the MQA occur, the levies transferred are recognised as revenue and allocated between the respective categories as reflected above to maintain their original identity.

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

Recognition of revenue from non-exchange transactions

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

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

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

Measurement of revenue from non-exchange transactions

SDL income is measured at the fair value of the consideration received or receivable.

Government grants and donor funding income

Conditional government grants and other conditional donor funding 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.

Accounting Policies

1.2 Revenue from non-exchange transactions (continued)

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

1.3 Revenue from exchange transactions

Investment income

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

Other income

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

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

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

1.4 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 Strategy III (2011-2016) extended to March 2020 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.

Accounting Policies

1.4 Grants and project expenditure (continued)

The grant is equivalent to 20% (2018: 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.

The receivable is measured at the present value of the expected future cash inflow, as determined in accordance with the MQA policy on debtor's management, and is based on the actual overpayments.

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 minerals sector employees.

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 and the conditions for the grant payments, as set out in the MQA funding policy, have been met.

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.

Accounting Policies

1.4 Grants and project expenditure (continued)

No provision is made for projects approved at year-end, unless the related services in terms of the contract have been delivered or the contract is of an onerous nature.

Where a project has been approved, but the duration of the contract extends beyond the reporting period, a commitment arises and is disclosed in the notes to the financial statements.

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 incentives and other payments made to the extent of expenditure not yet incurred.

1.5 Prepayments

The MQA may, in certain instances, when contracting with Small, Medium, Micro Enterprises (SMMEs) and when required by the terms of the contract of a service provider, make advance payments.

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, including:

- The PFMA,
- The Skills Development Act,
- The Skills Development Levies Act.

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 financial statements of the reporting period in which it is identified.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons are therefore provided in the notes.

Irregular expenditure is de-recognised from the balance of the irregular expenditure note 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;

Accounting Policies

1.6 Irregular, fruitless and wasteful expenditure (continued)

- written off if it's irrecoverable from an official liable in law.

Irregular expenditure that is not recoverable because no official was found to be liable in law for such transgression and was also not condoned by the relevant authority is de-recognised in the balance of the irregular note when:

- reasonable steps have been taken to confirm that such irregular expenditure did not result in any loss or damages to the state and that the state did obtain value from such a transaction, condition or event;
- the non-compliance that led to the irregular expenditure is being addressed; and
- transactions, conditions or events of a similar nature are regularly reviewed to ensure that no possible future non-compliance cases are reported.

1.7 Property, plant and equipment

Recognition

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

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

Initial measurement

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

Subsequent measurement

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

Depreciation

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

Accounting Policies

1.7 Property, plant and equipment (continued)

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 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

Accounting Policies

1.7 Property, plant and equipment (continued)

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. The fair value of other items of plant and equipment is ascertained by reference to quoted prices in an active and liquid market.

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

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

De-recognition

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

Key accounting judgements

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

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

Key sources of estimation uncertainty

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

Accounting Policies

1.7 Property, plant and equipment (continued)

The MQA is currently established as a SETA until 31 March 2020. In the light of the extension of MQA's establishment until 31 March 2020, 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.

Accounting Policies

1.8 Intangible assets (continued)

Amortisation

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

Impairment

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

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

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

Cost basis

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

Item	Average useful life
Computer software	2-3 years

Revaluation basis

The revaluation of intangible assets to fair value is determined by reference to an active market.

If an intangible asset cannot be re-valued because there is no active market for this asset, the asset is carried at its cost less any accumulated amortisation and impairment losses.

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

Accounting Policies

1.8 Intangible assets (continued)

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 potentials are expected from its use or disposal.

Gains or losses arising from de-recognition of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset. It is recognised in the surplus or deficit.

1.9 Inventories

Recognition

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

Initial measurement

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

Subsequent measurement

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

Recognition as an expense

When inventories are exchanged or distributed, the carrying amount of those inventories is recognised as an expense when the goods are distributed, or related service is rendered. The cost of inventories is assigned consistently, using the weighted average cost formula for all items of a similar nature and use.

Accounting Policies

1.9 Inventories (continued)

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.

The amount of any reversal of any write-down of inventories arising from an increase in the current replacement cost is recognised as a reduction in the amount of inventories recognised and as an expense in the period in which the reversal 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.

Accounting Policies

1.10 Leases (continued)

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

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

Operating leases

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

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

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

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

1.11 Borrowing and borrowing costs

Borrowings

In terms of section 66(3) (c) of the Public Finance Management Act 1999 as amended, the MQA may borrow money only through the Minister of Finance or issue a guarantee, indemnity or security only issue such through the Minister of Higher Education and Training, acting with the concurrence of the Minister of Finance.

In terms of Treasury Regulation 32.1.1, a Public Entity may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions.

Borrowing costs

Borrowing costs in respect of qualifying assets are capitalised and other borrowing costs are expensed.

Recognition

Borrowing costs that are directly attributable to the acquisition, construction or production of the cost of qualifying assets are capitalised unless it is inappropriate to do so. It is only inappropriate to capitalise borrowing costs when there is clear evidence that it is difficult to link the borrowing requirement directly to the nature of the capital or current expenditure to be funded.

Accounting Policies

1.11 Borrowing and borrowing costs (continued)

Borrowing costs are capitalised either when expenditure for qualifying assets is incurred, when the borrowing costs are incurred or when activities that are necessary to prepare the asset for its intended sale are undertaken, whichever occurs first. Capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Measurement

Where borrowing relates to a specific qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period, less any investment income on the temporary investment of those borrowings.

Where borrowings are made for general purposes and part of the general borrowings are used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditure on that asset.

The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

The amount of borrowing costs capitalised during a period shall not exceed the amount of borrowing costs incurred during that period.

Other borrowing costs

Recognition

Other borrowing costs are borrowing costs that are deemed inappropriate to be capitalised. It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirement directly to the nature of the expenditure to be funded, whether capital or current. Such borrowing costs are expensed to the statement of financial performance in the period they are incurred.

Measurement

The amount of other borrowing costs is the actual borrowing costs incurred during the period that is not eligible for capitalisation.

1.12 Employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which employees render the related service. The MQA awards the following short-term employee benefits:

Accounting Policies

1.12 Employee benefits (continued)

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave);
- bonus, incentive and performance related payments payable within 12 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 12 months after the end of the period in which the employees rendered the related services.

1.13 Provisions

Administration provision is for bonuses for persons in the employ of the MQA, that are employed on a permanent basis and those on short-term, long-term and fixed term contracts. These employees receive remuneration and are appointed against the approved organisational structure. 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 viability at the time of payment. The expected outflow is after the previous years' audit and before the end of the performance preceding year.

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.

Accounting Policies

1.13 Provisions (continued)

When there is an onerous contract, the present obligation, net of recoveries under the contract, is recognised as a provision.

Provisions for deficits from future operating activities are not recognised provisions and are recognised in the reporting period in which they are incurred.

Measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. In reaching the best estimate of a provision, the risks and uncertainties that surround the events and circumstances of each event are taken into account.

Effects of the time value of money

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability and not a discount rate that reflects risks for future cash flow estimates.

Future events and gains

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision.

Reimbursements

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement may not exceed the amount of the provision.

In the statement of financial performance, the expense relating to a provision may be presented net of the amount recognised for a reimbursement.

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. A provision is used only for the expenditure for which the provision was originally recognised.

Accounting Policies

1.14 Commitments

Commitments are future liabilities that will arise from existing contracts where performance or deliverables under such contracts will be performed subsequent to year-end.

Commitments are not recognised as a liability in the statement of financial position but disclosed in the notes to the annual financial statements. Amounts disclosed in respect of commitments are measured on the basis of the contractual provisions and where applicable, expected future escalation may be included to fairly state the liability that will subsequently arise.

1.15 Contingent Liabilities

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.

A contingent liability is not recognised as a liability in the statement of financial position but is disclosed in the notes to the annual financial statements. 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.

Where the disclosure of a contingent liability is reasonably expected to prejudice the position of the MQA in a dispute with other parties on the subject matter of the contingent liability, the information is not disclosed, but the general nature of the dispute, together with the facts and the reason why the information has not been disclosed, is disclosed.

1.16 Financial instruments

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

Financial Assets

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

Financial assets are recognised in the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. 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.

Accounting Policies

1.16 Financial instruments (continued)

Investments and loans

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:

- Loans and receivables;
- 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.

Investments other than those listed above are classified as available-for-sale investments or investments held-for-trading and are measured at subsequent reporting dates at fair value, without any deduction for transaction costs that may be incurred on sale or other disposal.

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

All financial assets of the MQA are categorised as loans and receivables.

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.

Accounting Policies

1.16 Financial instruments (continued)

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 with the exception of trade receivables where the carrying amount is reduced through the use of an allowance for doubtful debts.

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.

Cash and cash equivalents are measured at fair value.

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.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments, other than available-for-sale financial assets are included in net profit or loss in the period in which they arise.

Gains and losses arising from a change in the fair value of available-for-sale financial assets are recognised in equity, until the investment is disposed of or is determined to be impaired, at which time the net profit or loss is included in the surplus or deficit for the period.

All financial liabilities of the MQA are classified as other financial liabilities.

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.

Accounting Policies

1.17 Reserves

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

- Administration reserve;
- Employer grant reserve; and
- 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.

Other income received is utilised in accordance with the original source in terms of the above classifications, that is, where income is associated with administration activities it is utilised for administration purposes, whereas where it is associated with project activities it is utilised for discretionary grants and projects purposes.

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

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

1.18 Related parties

The MQA operates in a sector currently dominated by entities directly or indirectly owned or controlled by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the MQA, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.



Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Accounting Policies

1.18 Related parties (continued)

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by management in their dealings with the entity.

Transactions are disclosed as other related party transactions where the MQA has, in the normal course of its operations, entered into certain transactions with entities either under the control of the DHET and the Department of Mineral Resources (DMR) as well as management and their close family members.

Transactions are also disclosed as other related party transactions where Inter-SETA transactions arise due to the movement of employers from one SETA to another.

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.

Notes to the Annual Financial Statements

2. Allocation of Net Surplus for the Year

Total per statement of financial performance	Administration funds	Mandatory grant funds	Discretionary grants funds	Special projects funds
R000	R000	R000	R000	R000
1 209 234	151 898	284 085	765 891	7 360
1 154 211	149 671	284 085	720 455	-
147 819	147 819	-	-	-
1 853	1 853	284 085	-	-
284 085	-	-	-	-
694 667	-	-	694 667	-
25 788	-	-	25 788	-
55 023	2 227	-	45 436	7 360
914	914	-	-	-
2 031	-	-	2 031	-
7 360	-	-	-	7 360
43 405	-	-	43 405	-
1 313	1 313	-	-	-
884 152	141 512	242 597	492 684	7 360
134 111	134 111	-	-	-
6 487	6 487	-	-	-
242 597	-	242 597	-	-
492 684	-	-	492 684	-
7 360	-	-	-	7 360
914	914	-	-	-
(465)	(465)			
324 617	9 922	41 488	273 208	

Mining Qualifications Authority

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Notes to the Annual Financial Statement

	ALLOCATION – 2018				
	Total per statement of financial performance	Administration funds	Mandatory grant funds	Discretionary grants funds	Special projects funds
	R000	R000	R000	R000	R000
Total revenue	1 120 134	141 125	259 688	703 283	16 038
Skills development levy: income	1 044 602	134 119	259 688	650 795	-
Admin levy income (10.5%)	132 401	132 401	-	-	-
Grant levy income (20%)	259 688	-	259 688	-	-
Grant levy income (69.5%)	617 525	-	-	617 525	-
Levy: penalties and interest	33 270	-	-	33 270	-
Public sector levies	1 718	1 718	-	-	-
Donor, interest and other income	75 532	7 006	-	52 488	16 038
Donor project administration income	2 844	2 844	-	-	-
Discretionary grants recoveries	2 207	2 207	-	-	-
Donations for special projects	16 038	-	-	-	16 038
Investment income	52 488	-	-	52 488	-
Other income	1 955	1 955	-	-	-
Total expenditure	1 325 902	138 092	183 338	988 435	16 038
Administration expenditure	131 820	131 820	-	-	-
Transfers to other public entities (OCTO)	5 988	5 988	-	-	-
Mandatory grants expenditure	183 338	-	183 338	-	-
Discretionary grants and project expenditure	988 434	-	-	988 434	-
Donor funds project expenditure	16 038	-	-	-	16 038
Donor funding project administration costs	284	284	-	-	-
Loss on disposal of assets and liabilities	(32)	(32)	-	-	-
Surplus/(deficit) allocated	(205 800)	3 001	76 350	(285 150)	-

Notes to the Annual Financial Statement

3. Revenue from non-exchange transactions

	2019 R '000	2018 R '000 Restated
Skills development levy income	1 128 424	1 011 332
Levy income: Administration	149 671	134 119
Levies received	149 669	134 123
Levies received from SARS	147 611	132 378
Public sector levies	1 853	1 718
Inter-SETA transfers in	207	32
Inter-SETA transfers out	(2)	(4)
Movement in levies accrued	2	(4)
Levy income: Employer Grants	284 085	259 688
Levies received	283 736	259 660
Levies received from SARS	283 342	259 631
Inter-SETA transfers in	397	37
Inter-SETA transfers out	(3)	(8)
Movement in levies accrued	349	28
Levy income: Discretionary Grants	694 667	617 525
Levies received	693 667	617 535
Levies received from SARS	692 686	617 464
Inter-SETA transfers in	988	91
Inter-SETA transfers out	(7)	(20)
Movement in levies accrued	1 000	10
Interest and penalties: skills development levy income	25 788	33 270
Levy interest	10 634	12 136
Levy penalties	15 154	21 133

4. Investment Income

Interest received	43 405	52 488
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Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statement

	2019 R '000	2018 R '000 Restated
5. Other income		
	1 313	1 954
Insurance recoveries	22	52
SDL recoveries	157	168
Learning materials and other recoveries	65	268
Staff recoveries	375	647
Receipts from other entities	693	819
6. Sundry recoveries		
	2 031	2 207
Bursary recoveries	172	196
Projects recoveries	1 859	2 011
7. Employer grants and project expenditure		
Employer grants and projects expenditure	735 281	1 171 722
Mandatory grants expenditure	242 597	183 338
Disbursed-Mandatory	259 546	154 353
Movement in liabilities and accruals	(16 948)	28 985
Discretionary grants expenditure	447 083	877 039
Disbursed-Discretionary	782 836	669 600
Movement in liabilities and accruals	(335 753)	207 439
Project expenditure	45 601	111 395
Disbursed-Project	42 882	108 948
Movement in provisions and accruals	2 719	2 447
Project expenditure consist of:	45 601	111 395
Direct project costs	40 168	106 054
Administration costs	5 433	5 341
The administration costs above include		
Temporary staff	968	1 403

Notes to the Annual Financial Statements

2019
R '000

2018
R '000
Restated

8. Total administration expenditure

	134 111	131 820
Depreciation, amortisation and impairments	6 461	5 953
Maintenance, repairs and running costs	1 638	1 543
Property and buildings	1 257	1 269
Machinery and equipment-	381	275
Advertising, marketing and promotions, communication	3 860	5 405
Consulting and professional fees	6 318	8 751
Legal fees	3 362	4 326
Cost of employment	85 042	78 049
Travel and accommodation	5 065	8 688
Staff training and development	633	503
Remuneration of Board and committee members	1 514	1 668
Internal audit fees	373	1 126
External audit fees	2 781	3 066
Printing and stationery	939	1 371
Conferences, meetings and seminars	2 185	2 722
Insurance	397	543
Rates & taxes, water, electricity & security	3 235	3 363
Donations & sponsorships	45	368
Rental - operating leases	494	747
IT expenses	5 347	3 386
Subscription and membership fees	63	66
Other expenses	4 361	176

8.1

Mining Qualifications Authority

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Notes to the Annual Financial Statements

2019	2018
R '000	R '000
	Restated

8.1 Cost of employment

	80 079	72 544
Basic salaries	38 375	36 009
Performance awards	9 206	5 433
Other non-pensionable allowance	30 768	27 224
Temporary staff	968	1 403
Leave payments	-	1 773
SDL	763	702
Social contributions	4 963	5 505
Pension contributions	4 595	4 817
UIF	240	219
Other salary related costs	128	469
	<u>85 042</u>	<u>78 049</u>
Average number of employees	153	136

9. Transfers to other government entities

Transfer to QCTO	6 487	5 988
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SETA Grant Regulations 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 for quality assurance functions and the actual quantum will be determined by the Minister of Higher Education and Training. The amount disclosed above was determined by the Minister.

Notes to the Annual Financial Statements
10. Property, plant and equipment

	2019			2018		
	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
	79 918	(17 826)	62 092	79 762	(13 438)	66 323
Office furniture	4 740	(2 487)	2 252	4 828	(2 197)	2 631
Motor vehicles	878	(652)	226	878	(652)	226
Office equipment	6 445	(3 723)	2 722	6 056	(3 003)	3 053
Computer equipment	5 433	(3 563)	1 870	4 930	(3 034)	1 897
Fixtures and fittings	12 152	(5 310)	6 842	12 481	(4 215)	8 266
Office building	50 000	(1 954)	48 046	50 000	-	50 000
Cell phones	269	(135)	134	588	(337)	250

RECONCILIATION – 2019						
Opening carrying amount	Additions	Disposals	Depreciation	Revaluation surplus	Closing carrying amount	
R'000	R'000	R'000	R'000	R'000	R'000	R'000
66 324	1 785	(456)	(5 559)	-	62 093	
Office furniture	2 632	19	(18)	(380)	-	2 253
Motor vehicles	226	-	-	-	-	226
Office equipment	3 053	839	(118)	(1 053)	-	2 722
Computer equipment	1 896	801	(71)	(756)	-	1 870
Fixtures and fittings	8 266	55	(237)	(1 242)	-	6 842
Office building	50 000	-	-	(1 954)	-	48 046
Cell phones	250	71	(13)	(174)	-	134

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

10. Property, plant and equipment (continued)

RECONCILIATION – 2018						
Opening carrying amount	Additions	Disposals	Depreciation	Revaluation surplus	Closing carrying amount	
R'000	R'000	R'000	R'000	R'000	R'000	R'000
63 595	3 016	(32)	(5 180)	4 925	66 324	
Office furniture	2 703	332	-	(403)	-	2 632
Motor vehicles	304	-	-	(77)	-	226
Office equipment	2 709	1 259	-	(915)	-	3 053
Computer equipment	1 287	1 177	(32)	(535)	-	1 896
Fixtures and fittings	9 480	32	-	(1 246)	-	8 266
Office building	46 837	-	-	(1 762)	4 925	50 000
Cell phones	276	216	-	(241)	-	250

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 2018 by an independent valuer who holds a qualification in property valuations and is a member of South African Council for Property Valuers' 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. Further details on the building are as follows:

	2019 R '000	2018 R '000
Purchase price on 02 October 2013	-	51 794
Additions since purchase	-	1 057
Total cost/revalued carrying amount	50 000	52 851
Accumulated/revised accumulated depreciation	(1 954)	(7 776)
Revaluation adjustments	-	4 925
	48 046	50 000

Notes to the Annual Financial Statements
11. Intangible assets

Computer software

2019			2018		
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
4 311	(2 676)	1 635	3 735	(2 144)	1 592
4 311	(2 676)	1 635	3 735	(2 144)	1 592

RECONCILIATION 2019

Opening carrying amount	Additions	Disposals	Other changes, movements	Amortisation	Closing carrying amount
R'000	R'000	R'000	R'000	R'000	R'000
1 591	984	(39)	-	(902)	1 634
1 591	984	(39)	-	(902)	1 634

RECONCILIATION 2018

Computer software

Opening carrying amount	Additions	Disposals	Other changes, movements	Amortisation	Closing carrying amount
R'000	R'000	R'000	R'000	R'000	R'000
1 310	1 055	-	-	(773)	1 591
1 310	1 055	-	-	(773)	1 591

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000 Restated
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12. Receivables from exchange transactions

	3 790	2 281
Staff advances	117	288
Prepayments	429	483
Deposits	4	1
Other receivables	1 502	600
Interest receivable	1 737	910

13. Inventories

Consumable stores	430	353
Recognised as an expense during the period	702	1 476

14. Receivables from non-exchange transactions

		60 058	69 707
Mandatory grants receivables	14.1	17 082	32 542
Administration and public sector levies receivable		1 825	1 617
Inter-SETA - Administration		29	29
Inter-SETA - Employer grants		436	92
Inter-SETA - Discretionary		1 157	169
Donor funding receivable	14.2	39 529	35 258

14.1 Mandatory grants receivables

	17 082	32 542
Overpayments to employers	17 739	33 148
Provision for doubtful debts	(850)	(822)
Net effect of SARS retrospective adjustments	16 890	32 326
Mandatory grants receivable from other SETAs	193	216

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000 Restated
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14. Receivables from non-exchange transactions (continued)
14.2 Government grants and donor funding

	39 529	35 255
Balance at the beginning of the year	35 255	17 034
Donor funds received and interest received	(2)	(661)
Donor funds received	-	(215)
Interest received	(2)	(446)
Donor fund write-off	(4 001)	-
Utilised	8 274	18 882

14.2.1 Donor funds administration surplus

	-	2 603
NSF artisan project administration income	914	2 844
NSF artisan project administration expenditure	(914)	(241)

R17 739 434 (2018: R 33 147 925) 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. The MQA recovers such debts by withholding the overpayments from future grant payments of the same levy number and/or linked levy number of the same company in line with the finance policies of the MQA.

A provision for bad debts of R849 779 (2018: R821 845) has been raised.

15. Cash and cash equivalents

	723 277	715 329
Cash at bank	23 215	44 311
Cash on hand	12	15
Cash on hand and at bank	23 228	44 327
Short-term investments/instruments	700 049	671 003

The Skills Development Act Regulations states that the MQA may, if not otherwise specified by the Public Finance Management Act, invest the monies 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.

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

	2019 R '000	2018 R '000 Restated
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15. Cash and cash equivalents (continued)

Due to the MQA's exemption by the National Treasury from the requirement of Treasury Regulation 31.3, surplus funds were deposited with institutions with investment grade rating and in line with the investment policy as required by Treasury Regulation 31.3.5.

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 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 employees' future benefits depend on the operating efficiency and investment earnings of the fund.

17. Grants and transfers payable

	408 272	740 042
Skills development grants payable – mandatory	25 384	23 896
Skills development grants payable – discretionary	382 782	715 802
Inter-SETA payables – Administration	2	4
Inter-SETA payables - Employer grants	4	8
Inter-SETA payables – Discretionary	10	21
Donor payables	90	310

Notes to the Annual Financial Statements

2019	2018
R '000	R '000
	Restated

18. Trade and other payables from exchange transactions

	2019	2018
	R '000	R '000
Trade payables	8 906	9 811
Project creditors	1 793	3 023
Trade creditors accruals	81	95
Cell phone contracts obligations	1 684	1 090
Payroll creditors and accruals	125	230
	5 222	5 374

19. Provisions

Reconciliation of provisions

	2019				
	Opening Balance	Utilised during the period	Change in estimates	Addition	Total
	R'000	R'000	R'000	R'000	R'000
	9 386	(6 083)	-	9 839	13 142
SARS Creditors – Administration	324	(53)	-	83	354
SARS Creditors – Mandatory	617	(102)	-	158	674
SARS Creditors – Discretionary	1 526	(251)	-	392	1 666
Administration provisions	6 919	(5 677)	-	9 206	10 449

Reconciliation of provisions

	2018				
	Opening Balance	Utilised during the period	Change in estimates	Addition	Total
	R'000	R'000	R'000	R'000	R'000
	10 436	(6 707)	-	5 657	9 386
SARS Creditors – Administration	294	-	-	30	324
SARS Creditors – Mandatory	561	-	-	56	617
SARS Creditors – Discretionary	1 388	-	-	138	1 526
Administration provisions	8 193	(6 707)	-	5 433	6 919

Mining Qualifications Authority

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Notes to the Annual Financial Statements

	2019 R '000	2018 R '000
20. Cash generated from operations		
Surplus or (Deficit)	324 617	(205 800)
Adjustments for:		
Depreciation and amortisation	6 461	5 953
Loss (Gain) on sale of assets and liabilities	465	32
Movements in provisions	3 756	(1 051)
Other non-cash items		
Changes in working capital		
Inventories	(78)	8
Receivables from exchange transactions	(1 509)	(211)
Other receivables from non-exchange transactions	9 648	(42 025)
Payables from exchange transactions	1 828	(2 946)
Transfers payable (non-exchange)	(334 503)	212 753
	<u>10 685</u>	<u>(33 287)</u>

21. Contingent Liabilities

21.1 Mandatory grant reserve

A balance of R553 000 (2018: R308 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 30 September 2019 to claim the mandatory grants after which they expire and will be credited to the discretionary funds in terms of the grants regulations.

21.2 Discretionary Grants

Between 2012 and 2015, the MQA entered into discretionary grants contracts for different programmes with the employers and created obligations under such contracts. The grants payable under such contracts were not disbursed because the service and/or training by the employers could not be confirmed. In 2016-2017, monies due under such contracts were disclosed as contingent liabilities and subsequent investigations conducted revealed the following prior period errors adjustments in the prior year:

Notes to the Annual Financial Statements

21. Contingent Liabilities (continued)

2019				
Opening Balance	Prior period error adjustments	Restated opening balance	Utilised during the period	Total
R'000	R'000	R'000	R'000	R'000

Discretionary grants
 Artisans
 Non-Artisans
 Workplace Training
 Graduate Development Programme

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

2018				
Opening Balance	Prior period error adjustments	Restated opening balance	Utilised during the year	Total
R'000	R'000	R'000	R'000	R'000

Discretionary grants
 Artisans
 Non-Artisans
 Workplace Training
 Graduate Development Programme

139 702	(136 140)	3 562	(3 562)	-
41 245	(39 893)	1 352	(1 352)	-
49 889	(47 679)	2 210	(2 210)	-
14 677	(14 677)	-	-	-
33 891	(33 891)	-	-	-

21.3 Litigations

Contractual disputes with training providers resulted in claims lodged with the courts against the MQA for an amount of R6 637 673.21. (2018: R627 500) One case was from the preceding year and uncertainty regarding the outflow is still the same as the prior year because the case is still ongoing.

22. Contingent assets

The MQA has instituted legal claims against third parties and based on the legal opinion, there is a probability of an inflow amounting to R 3 495 830.86 from the five cases. The amounts were based on the Court Judgements for some cases and some had to be estimated by the internal Legal and Governance unit.

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

23. Commitments

PROGRAMMES	2017-2018					2018-2019			
	Opening Balance 2017	Re-Allocations Approved	Utilised	2018 Closing Balance	Prior Period Error	Restated Closing Balance 2018	Re-Allocations Approved	Utilised	Closing Balance 31 March 2019
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	878 570	883 456	(1 003 928)	758 098	(38 493)	719 605	159 630	(493 288)	385 947
HEI Lecturer Support	-	15 332	(10 365)	4 967	-	4 967	17 712	(13 679)	9 000
Bursaries	59 907	157 175	(172 456)	44 626	-	44 626	91 806	(120 013)	16 420
Work Experience	26 460	54 132	(49 056)	31 536	(4 248)	27 288	38 376	(39 960)	25 704
Standard Setting Grant (TRG)	-	325	(325)	-	-	-	489	(489)	-
Learning Material	-	-	-	-	-	-	1 772	(1772)	-
Internships (GDP)	137 407	144 464	(111 983)	169 889	(7 545)	162 345	2 449	(85 952)	78 842
Non-Artisan Learnerships	111 284	169 814	(168 950)	112 148	(10 795)	101 354	(3 073)	(66 158)	32 123
Skills Development Facilitator Support	-	585	(585)	-	-	-	240	(240)	-
AET	-	22 905	(22 905)	-	-	-	7 900	(7900)	-
OHS Rep Development	-	15 795	(15 795)	-	-	-	2 490	(2 490)	-
RPL/Artisan Aides - Employed	-	5 215	(5 215)	-	-	-	-	-	-
MQA Artisan Development	318 894	213 504	(256 234)	276 164	(24 792)	251 372	16 294	(89 486)	178 180
TVET College Support	70 139	32 569	(44 125)	58 582	(540)	58 042	3 456	(26 684)	34 815
Maths & Science	6 256	8 011	(6 256)	8 011	-	8 011	-	(8 011)	-
Mine Community Development	69 264	25 195	(78 148)	16 311	10 039	26 349	(2 685)	(15 980)	7 684
Workplace Coach Development	7 940	7 938	(11 235)	4 643	(23)	4 620	(210)	(4 410)	-
Management Development	6 580	8 476	(11 740)	3 316	(540)	2 776	(160)	(1 980)	636
NSF 2 - Artisan Development	44 739	(7 735)	(14 727)	22 276	-	22 276	(13 176)	(7 358)	1 742
Foundational Learning Competence	-	1 838	(1 838)	-	-	-	-	-	-
Standard Setting HET	99	71	(141)	29	-	29	(20)	(10)	-
HDSA Accredited Training Provider	-	250	(250)	-	-	-	300	(300)	-
HDSA MDP and Candidacy	19 600	7 600	(21 600)	5 600	(50)	5 550	(5 400)	(150)	-
Youth Development Project	-	-	-	-	-	-	1 071	(268)	803

Notes to the Annual Financial Statements

24. Material losses through criminal conduct, irregular, fruitless and wasteful expenditure

Irregular Expenditure

2019			
Opening Balance	Additions	Condoned	Balance
R'000	R'000	R'000	R'000

Administration expenditure

-	23	(23)	-
-	23	(23)	-

2018			
Opening Balance	Additions	Condoned	Balance
R'000	R'000	R'000	R'000

Administration expenditure

2016-2017 administration irregular expenditure identified in current year

Artisan programme

23 977	17 686	(41 663)	-
4 000	7 530	(11 530)	-
-	2 921	(2 921)	-
19 977	7 236	(27 212)	-

The irregular expenditure was as a result of non-compliance with section 15,16 and 17 of the PPPFA which stipulates how tenders should be evaluated and awarded and practice note 8 of 2007/2008 which requires the entities to obtain at least three quotations. Furthermore the supply chain management policy was not complied with in relation to the approval of all deviation from the normal SCM processes. For the year under review, two cases were identified as irregular and both are under investigation.

Fruitless and wasteful expenditure

2019			
Opening Balance	Additions	Condoned	Balance
R'000	R'000	R'000	R'000

Administration expenditure

-	47	-	47
-	47	-	47

Fruitless and wasteful expenditure was incurred in respect of SARS interests and penalties, TV licences penalties and no show for booked flights and accommodation. The eight cases that constitute fruitless expenditure are still under investigation.

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

25. Financial instruments

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

The risk management process relating to each of these risks is discussed under the headings below.

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:

2019				
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	723 277	5%	-	723 277
Accounts receivable	-	46 337	0,5 years	46 337
Total financial assets	723 277	46 337		769 614
Liabilities				
Accounts payable	-	(387 220)	0,5 years	(387 220)
Total financial liabilities	-	(387 220)		(387 220)
	723 277	(340 882)		382 395
2018				
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	715 329	5%	-	715 329
Accounts receivable	-	38 964	0,5 years	38 964
Total financial assets	715 329	38 964		754 293
Liabilities				
Accounts payable	-	(720 575)	0,5 years	(720 575)
Total financial liabilities	-	(720 575)		(720 575)
	715 329	(681 611)		33 718

Notes to the Annual Financial Statements

25. Financial instruments (continued)

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 MQA's exposure is continuously monitored by the Accounting Authority.

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.

No events occurred in the mining industry that may have an impact on the accounts receivable that has not been adequately provided for.

Ageing of trade and other receivables from non-exchange transactions

	2019		2018	
	Gross	Impairment	Gross	Impairment
	R '000	R '000	R '000	R '000
Past due 31-120 days	46 337	-	38 964	-

Cash and cash equivalents

	2019		2018	
	Gross	Impairment	Gross	Impairment
	R '000	R '000	R '000	R '000
Not past due	723 277	-	715 329	-

Liquidity risk

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

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

25. Financial instruments (continued)

		2019			
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	R '000	R '000	R '000	R '000	R '000
Trade and other payables	(387 220)	-	-	-	-

		2018			
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	R '000	R '000	R '000	R '000	R '000
Trade and other payables	(720 575)	-	-	-	-

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.

Fair values

The MQA's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, and accounts and other payables.

No financial instruments were carried at an amount in excess of its fair value and fair values could be reliably measured for all financial instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the MQA and short-term bank deposits with an original maturity of less than one month. The carrying amount of these assets approximates their fair value.

Accounts receivable

The carrying amount of accounts receivable, net of allowance for bad debts, approximates fair value due to the relatively short-term maturity of these financial assets.

Investments

The fair value of debt securities is determined using the discounted cash flow method (where applicable). The fair value of publicly traded investments is based on quoted market prices for those investments.

Notes to the Annual Financial Statements

25. Financial instruments (continued)

Borrowings

The fair value of interest-bearing borrowings is based on either:

- The quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (where applicable); or
- The current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (where applicable).

The fair values of interest-bearing borrowings with variable interest rates approximate their carrying amounts.

Accounts payable

The carrying amount of accounts payable approximates fair value due to the relatively short-term maturity of these financial liabilities.

26. Related party transactions

The Mining Qualifications Authority is a Schedule 3A public entity in terms of the PFMA; it therefore has a number of related parties, including other state-owned entities, government departments and all other entities within the national sphere of government.

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.

	2019		2018	
	Amount receivable (payable)	Transfers in/(out)	Amount receivable (payable)	Transfers in/(out)
	R '000	R '000	R '000	R '000
Sector Education and Training Authorities	1 754	(30)	151	-
MERSETA	(8)	(26)	(26)	-
SERVICES SETA	78	-	6	-
AGRISETA	(2)	-	(2)	-
W&R SETA	(18)	(2)	(20)	-
TETA	-	(2)	(2)	-
CHIETA	149	-	148	-
SETA99	162	-	47	-
CETA	1 390	-	-	-
HWSETA	3	-	-	-

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

26. Related party transactions (continued)

26.2 Other public entities

	2019				Commitment
	Receipts	Payments	Debtor	Payable	
	R '000b	R '000	R '000	R '000	R '000
	515	6 545	39 849	90	-
Unemployment Insurance Fund	220	-	310	90	-
National Skills Fund	-	-	39 219	-	-
Mine Health and Safety Council	272	58	128	-	-
ETDP SETA	23	-	192	-	-
Quality Council for Trades and Occupations	-	6 487	-	-	-

Other public entities	2018				Commitment
	Receipts	Payments	Debtor	Payable	
	R '000	R '000	R '000	R '000	R '000
	697	5 988	35 474	310	-
Unemployment Insurance Fund	215	-	310	310	-
National Skills Fund	-	-	34 948	-	-
Mine Health and Safety Council	418	-	-	-	-
ETDP SETA	64	-	216	-	-
Quality Council for Trades and Occupations	-	5 988	-	-	-

Notes to the Annual Financial Statements
26. Related party transactions (continued)
26.3 Transactions with Board members and entities where they are employed or hold directorships

			2019					
Constituency	Related party	Related party representative	Received	Fees paid	Grants paid	Debtors	Payable	Commitments
			200 724	1 172	86 517	1 966	9 768	25 060
Employers	Harmony Gold Mine	M Mashego	65 696	-	31 133	381	603	8 651
Employers	Colliery Training College	J Venter	531	-	1 242	-	20	1 747
	Minerals Council of South Africa	M Ally & D Julyan	664	428	1 448	-	-	118
Employers	Anglo Platinum	L Mogaki	61 529	-	19 267	-	8 591	7 795
Labour	UASA*	F Van Straten	-	10	-	-	-	-
Employers	Petra Diamonds	S Rogers	1 767	-	648	-	71	-
Employers	Impala Platinum	E Howes	68 685	-	32 779	-	483	6 749
Labour	National Union of Mineworkers	A Teteme	-	408	-	-	-	-
Labour	National Union of Mineworkers	D Shikati	-	231	-	-	-	-
Labour	National Union of Mineworkers	A Tshangase	-	32	-	-	-	-
State	DMR***	D Msiza	1 852	-	-	1 585	-	-
Labour	National Union of Mineworkers	M Naki	-	11	-	-	-	-
Labour	National Union of Mineworkers	M Tshilidzi	-	11	-	-	-	-
Labour	UASA*	W van Rooyen	-	1	-	-	-	-
Labour	UASA*	F Stehring	-	73	-	-	-	-

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

26. Related party transactions (continued)

26.3 Transactions with Board members and entities where they are employed or hold directorships

			2018					
Constituency	Related party	Related party representative	Received	Fees paid	Grants paid	Debtors	Payable	Commitments
			68 195	1 375	60 596	1 700	25 587	31 069
Employers	Harmony Gold Mine	M Mashego	51 864	-	30 883	-	5 468	14 618
	Colliery Training		515	-	10 091	-	255	1 050
Employers	College	J Venter						
	Minerals Council of		669	478	550	-	510	-
Employers	South Africa	M Ally & D Julyan						
Employers	Anglo Platinum	L Mogaki	11 856	-	18 353	-	19 043	15 402
Labour	UASA*	F Van Straten	-	70	-	-	-	-
Employers	Petra Diamonds	S Rogers	1 592	-	-	-	311	-
	National Union of		-	575	-	-	-	-
Labour	Mineworkers	A Teteme						
	National Union of		-	174	-	-	-	-
Labour	Mineworkers	D Shikati						
	National Union of		-	78	-	-	-	-
Labour	Mineworkers	A Tshangase						
State	DMR**	M Zondi	1 700	-	719	1 700	-	-

UASA* - United Association of South Africa

DMR** - Department of Mineral Resources

Notes to the Annual Financial Statements

26. Related party transactions (continued)

26.4 Other direct financial interest by board members and staff

		2019			
Staff or Board member	Entity	Amount received	Amounts paid	Amount receivable	Amount payable
		R '000	R '000	R '000	R '000
A Tshangase	Tshepo Recruitment Mining	7	-	-	720
		7	-	-	720

		2018			
Staff or Board member	Entity	Amount received	Amounts paid	Amount receivable	Amount payable
		R '000	R '000	R '000	R '000
A Tshangase	Tshepo Recruitment Mining	3	434	-	-
T Thankge	Thato ya Kgosi	-	12	-	-
		3	446	-	-

26.5 Bursary awarded to related party beneficiaries

In the previous financial year, the Board resolved that in respect of bursaries, the MQA may enter into Memorandum of Agreements (MoAs) with entities listed below. According to GRAP 20, related party relationships exist between the MQA and the entities by virtue of the Board Stakeholders' significant influence on MQA policies. The signing of the memorandum of agreement enabled the funding of bursary beneficiaries selected by the entities using selection and funding criteria that may not be similar to the criteria and conditions used to select and fund other MQA bursary beneficiaries. Listed below as they are represented in the Board through the stakeholders identified above.

Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

26. Related party transactions (continued)

The MQA details of payments and commitments for the benefits of the stakeholders:

2018-2019

Stakeholder details	Board member	Total amount paid	Total Commitment
		R'000	R'000
DMR list of bursars	State	5 440	679
J B Marks	Organised labour	8 754	2 251
Anglo Gold Ashanti	Organised employer	596	99
Petra State Diamond	Organised employer	153	41
Impala Platinum	Organised employer	329	83
Richards Bay Mining	Organised employer	1 214	188
Royal Bafokeng Platinum	Organised employer	309	100
Total		16 795	3 440

2017-2018

Stakeholder details	Board member	Total amount paid	Total Commitment
		R'000	R'000
DMR list of bursars	State	3 070	581
J B Marks	Organised labour	4 332	1 639
Anglo Gold Ashanti	Organised employer	1 159	410
Petra State Diamond	Organised employer	-	408
Impala Platinum	Organised employer	298	114
Richards Bay Mining	Organised employer	1 217	449
Royal Bafokeng Platinum	Organised employer	456	116
Total		10 533	3 718

Notes to the Annual Financial Statements

26. Related party transactions (continued)

26.6 Executive managers

	Basic salaries R '000	Performance Bonuses R '000	Leave paid out R '000	Non-Pensionable allowances R '000	Acting Allowances R '000	Pension contributions R '000	Total 2019 R '000	Total 2018 R '000
	4 176	191	-	4 026	1 459	598	10 450	12 903
T G Mmotla (COO/ACEO)	531	-	-	1 059	488	74	2 152	2 091
M Palale (SPM/ACOO)	539	-	-	574	353	76	1 542	1 544
M Mdingi (CFO)	886	-	-	642	-	126	1 654	1 575
N B Nemagovhani (CRMEO)	810	-	-	621	-	115	1 546	971
Z T Boikhutso (RMNW/AEMCS)	747	62	-	417	282	111	1 619	1 583
B Mathebula (RMFS/AEMSR)	526	129	-	607	336	74	1 672	1 464
P J Moasa (ACRMEO/MEM)	-	-	-	-	-	-	-	800
M Tladinyane (EMCS)	137	-	-	106	-	22	265	-
C Maila (EMSR)*	-	-	-	-	-	-	-	1 399
I G Mkhize (EMCS)**	-	-	-	-	-	-	-	1 476

Notes and legend for 2019

T G Mmotla, the Chief Operations Officer was appointed as Acting Chief Executive Officer from 12 September 2016.

M Palale, the Strategic Planning Manager was appointed as Acting Chief Operations Officer from 12 September 2016.

N B Nemagovhani, the Chief Risk Monitoring and Evaluation Officer from 01 August 2017.

Z T Boikhutso, the Regional Manager: North West Office was appointed as Acting Executive Manager Corporate Services ended 31 January 2019.

M Tladinyane, Executive Manager: Corporate Services from 01 February 2019.

B Mathebula, the Regional Manager : Free State Office was appointed as Acting Executive Manager Stakeholder Relations.

P J Moasa, acted as until 31 July 2017 and resumed duties as Monitoring and Evaluation Manager.

* Resigned as Executive Manager Stakeholder Relations effective 31 January 2018.

** Resigned as Executive Manager Corporate Services effective 01 February 2018.

Notes to the Annual Financial Statements

27. Events after the reporting date

Adjusting events

Along outstanding debtor amounting to R121 575.85 was approved for write off after year-end; however, the un-recoverability of the debtor existed before year-end. The receivables balances was subsequently adjusted since the conditions existed as at the reporting date.

An amount of R4 001 051.15 was over spent on a contract for one of the contracts and reasons for the overspending were communicated to the funder during the duration of the contract. In terms of the SLA signed with the funder, it made provision for the funder to continue payment on the contract even if there might be any disputes for the benefit of the beneficiaries. Since the reasons for the overspending were justifiable and communicated to the funder, the MQA spent its funds to cover for the unforeseen expenses on the contract. After issue of the financial statement to the Auditor General for audit, the funder responded and indicated that it will not be in a position to cover the overspending. The AFS were subsequently adjusted to write off the debt in line with GRAP 14.

Non-adjusting events

In July 2019, the office of the Chief Executive Officer received summons issued to the MQA for a claim amounting to R43 400 000.00 by a former training provider for damages suffered due to termination of contract. The claim was in relation to a contract that was terminated on the 13th of July 2016, due to material breaches. Post the termination the training provider took the matter to the High Court, and on the 9th of March 2018, the Court dismissed the matter with costs of R94 105.86, which the MQA disclosed as contingent assets.

28. New standards and interpretations

At the date of authorisation of these financial statements, the following Generally Recognised Accounting Practice standards and interpretations were in issue but not yet effective. These include the following standards and interpretations that are applicable to the MQA, and may or may not have an impact on future financial statements.

GRAP 34: Separate Financial Statements

The standard was issued in March 2017 and its effective date is not yet determined. The Standard prescribes the accounting and disclosure requirements for investment in controlled entities, joint ventures and associates by the investor in its separate financial statements. The separate financial statements are those statements presented in addition to consolidated financial statements by the investor that has investments in controlled entities and or joint ventures and or associates.

It is not expected that the standard will impact future accounting and disclosures of the MQA since it is currently not an investor entity and there is no intention of becoming one in the future.

Notes to the Annual Financial Statements

28. New standards and interpretations (continued)

GRAP 35: Consolidated Financial Statements

The standard was issued in March 2017 and its effective date is not yet determined. The standard prescribes the principles for presentation and preparation of consolidated financial statements by an entity that controls one or more other entities.

An entity controls another entity when the entity is exposed, or has rights, to variable benefits from involvement with the other entity and has the ability to affect the nature or amounts of those benefits through its power over the other entity.

It is not expected that the standard will affect future presentation of financial statements of the MQA since MQA is not a controlling entity and there are no intentions of becoming one in the future.

GRAP 36: Investments in Associates

The standard was issued in March 2017 and its effective date is not yet determined. The standard prescribes the accounting principle for investments in Associates and application of the equity method when accounting for such investments. An Associate is defined as an entity over which the investor has significant influence. The significant influence is further defined as power to participate in the financial and operating policy decisions of another entity but not control or joint control of those policies.

It is not expected that the Standard will affect future presentation of MQA's financial statements since MQA does not have any investment in Associates and there are no intentions for acquiring such investments.

GRAP 37: Joint Arrangements

The standard was issued in March 2017 and its effective date is not yet determined. The standard prescribes the accounting principle for financial reporting by entities that have interest in arrangements that are controlled jointly. Joint Arrangements are defined as arrangements of which two or more parties have joint control. The joint control is further defined as agreed sharing of control by a way of binding arrangement, which exist only when decision about relevant activities require unanimous consent of parties sharing control.

It is not expected that the Standard will affect MQA future accounting and disclosures because it currently does not have any joint arrangements nor future intentions to enter into such arrangements.

GRAP 38: Disclosure in Other Entities

The standard was issued in March 2017 and its effective date is not yet determined. The standard requires entities to disclose information that enables users of its financial statements to evaluate the nature of, and risks associated with, its interest in controlling entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated and the effects of those interests on its financial position, financial performance and cash flows. MQA does not have any controlled entities, interest in associates, joint ventures and is not party to any joint arrangements.

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



Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

28. New standards and interpretations (continued)

GRAP 110: Living and Non-Living Resources

The standard was issued in March 2017 and its effective date is not yet determined. The standard prescribes the recognition, measurement, presentation and disclosure for living resources and disclosure requirements for non-living resources. Living resources are those resources that undergo biological transformation and non-living resources are resources, other than living resources that occur naturally and have been extracted.

Non-living resources includes, water, minerals, oils, gas and other non-regenerative resources which have not been extracted. The principles in the Standard do however not apply to land and extracted water, minerals, oils, and gas and other non-regenerative resources.

It is not in the MQA mandate to transform non-living resources into living resources and is thus not expected that the effective implementation of the Standard will affect future accounting and disclosures of the MQA.

Notes to the Annual Financial Statements

29. Prior period errors

In the current year some line items of the 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 restatement 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:

29.1 Statement of Financial Performance

2018
R '000

29.1.1 Employer grant and project expenditure

As previously disclosed	1 183 682
Discretionary grant expenses erroneously omitted and/or previously overstated	(11 909)
Restated amount	<u>1 171 773</u>

29.1.2 Administration expenditure

As previously stated	131 805
Consultancy and professional fees expenses erroneously omitted	15
Restated amount	<u>131 820</u>

29.1.3 Deficit for the year

As previously disclosed	(217 694)
Expenses erroneously omitted and/or previously overstated (as stated above)	11 895
Restated amount	<u>(205 800)</u>

29.1.4 Government Grant and donor funding income

As previously disclosed	14 775
NSF project administration income erroneously omitted 2017-2018	1 263
Restated amount	<u>16 038</u>

29.1.5 Government Grant and donor funding expense

As previously disclosed	14 775
NSF project administration income erroneously omitted 2017-2018	1 263
Restated amount	<u>16 038</u>



Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

29. Prior period errors (continued)

29.2 Statement of Financial Position

29.2.1 Grant and transfer payables

As previously disclosed	755 471
Grants and transfer payables incorrectly classified as exchange transactions	2 397
Prior year accruals omission 2016-2017	(5 916)
Prior year accruals omission 2017-2018	(11 909)
Restated amount	<u>740 042</u>

29.2.2 Trade and other payables from exchange transactions

As previously disclosed	12 133
Grants and transfer payables incorrectly classified as exchange transactions	(2 397)
Prior year accruals omission 2016-2017	60
Prior year accruals omission 2017-2018	16
Restated amount	<u>9 811</u>

29.2.3 Reserves

As previously disclosed	78 595
Expenses erroneously omitted and/or previously overstated 2016-2017	5 856
Expenses erroneously omitted and/or previously overstated 2017-2018	11 895
Restated amount	<u>96 346</u>

29.2.4 Discretionary reserves

As previously disclosed	10 372
Expenses erroneously omitted and/or previously overstated 2016-2017	5 856
Expenses erroneously omitted and/or previously overstated 2017-2018	11 895
Restated amount	<u>28 123</u>

Notes to the Annual Financial Statements

29. Prior period errors (continued)

29.10 Consulting and professional fees (Note 8)

As previously disclosed	8 735
Expense erroneously omitted and/or previously overstated 2017/18	15
Restated amount	<u>8 751</u>

29.11 Commitments (Note 23)

As previously disclosed	758 098
Commitments previously included 2017-2018	(38 493)
Restated amount	<u>719 605</u>

29.12 Related party disclosure – Other public entities (Note 26)

29.12.1 Payments

As previously disclosed	-
Payment to QCTO omitted 2017-2018	5 988
Restated amount	<u>5 988</u>

29.12.2 Payables

As previously disclosed	-
Payables erroneously omitted	310
Restated amount	<u>310</u>

29.12.3 Transactions with Board members and entities where they are /employed or hold directorships

As previously disclosed	-
Related party commitment erroneously omitted	31 069
Restated amount	<u>31 069</u>



Mining Qualifications Authority

Annual Financial Statements for the year - ended 31 March 2019

Notes to the Annual Financial Statements

29. Prior period errors (continued)

29.12.4 Bursary awarded to related party beneficiaries

Total Payments paid

As previously disclosed	-
Related party commitment erroneously omitted	10 533
Restated amount	10 533

Total Commitments

As previously disclosed	-
Related party commitment erroneously omitted	3 718
Restated amount	3 718

29.13 Financial instrument disclosure (Note 25)

29.13.1 Floating and Non-Interest bearing

As previously disclosed	705 477
Non-Interest bearing erroneously omitted	(671 759)
Restated amount	33 718

29.13.2 Ageing of trade and other receivables

As previously disclosed	69 707
Trade and other receivables erroneously omitted	(30 743)
Restated amount	38 964

29.13.3 Ageing of trade and other payables

As previously disclosed	(12 133)
Trade and other payables erroneously omitted	(708 442)
Restated amount	(720 575)

ACRONYM LIST

ADSL	Asymmetric digital subscriber line
AET	Adult Education and Training
AgriSETA	Agriculture Sector Education and Training Authority
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ATR	Annual Training Reports
AQP	Assessment Quality Partner
BEE	Black Economic Empowerment
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHIETA	Chemical Industries Education and Training Authority
COO	Chief Operating Officer
CoS	Centre of Specialisation
CRM	Customer Relationship Management
CRMEO	Chief Risk Monitoring and Evaluation Officer
CSD	Central Supplier Database
CSIR	Council for Scientific and Industrial Research
CTC	Colliery Training College
DHET	Department of Higher Education and Training
DMR	Department of Mineral Resources
DoF	Department of Finance
DQP	Development Quality Partner
DVD	Digital Versatile Disk
EE	Employment Equity
EMCS	Executive Manager Corporate Services
EMSR	Executive Manager Stakeholder Relations
ERP	Enterprise Resource Planning
ETDPSETA	Education, Training and Development Practices Sector Education and Training Authority
EXCO	Executive Committee
TVET	Technical Vocational Education and Training
FLC	Foundational Learning Competence
FVTPL	Fair Value Through Profit and Loss
GDP	Graduate Development Programme
GRAP	Generally Recognised Accounting Practice

HDI	Historically Disadvantaged Individual
HDSA	Historically Disadvantaged South African
HRD	Human Resources Development
HVAC	Heating, Ventilation and Air Conditioning
ICT	Information and Communication Technology
IESBA	International Ethics Standards Board for Accountants
ILD	International Literacy Day
ISA	International Standards on Auditing
MDP	Management Development Programme
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MHSA	Mine Health and Safety Act
MIS	Management Information System
MMS	Mining and Minerals Sector
M&E	Monitoring and Evaluation
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NC	National Certificate
NCV	National Certificate (Vocational)
NLRD	National Learners Records Database
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
OHS	Occupational Health and Safety
NSF	National Skills Fund
NUM	National Union of Mineworkers
PFMA	Public Finance Management Act
PSET	Post School Education and Training
QA	Quality Assurance
QCTO	Quality Council for Trades and Occupations
QALA	Quality Assurance of Learner Achievements
RPL	Recognition of Prior Learning

SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDA	Skills Development Act 1998 (Act 97 of 1998)
SDC	Skills Development Committee
SDF	Skills Development Facilitator
SDL	Skills Development Levy
SDRU	Skills Development and Research Units
SIC	Standard Industrial Classification
SLA	Service Level Agreement
SMME	Small, Micro, Medium Enterprises
SSP	Sector Skills Plan
TETA	Transport Education and Training Authority
ToR	Terms of Reference
UASA	United Association of South Africa
UIF	Unemployment Insurance Fund
UNISA	University of South Africa
W&RSETA	Wholesale and Retail Sector Education and Training Authority
WSP	Workplace Skills Plan

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