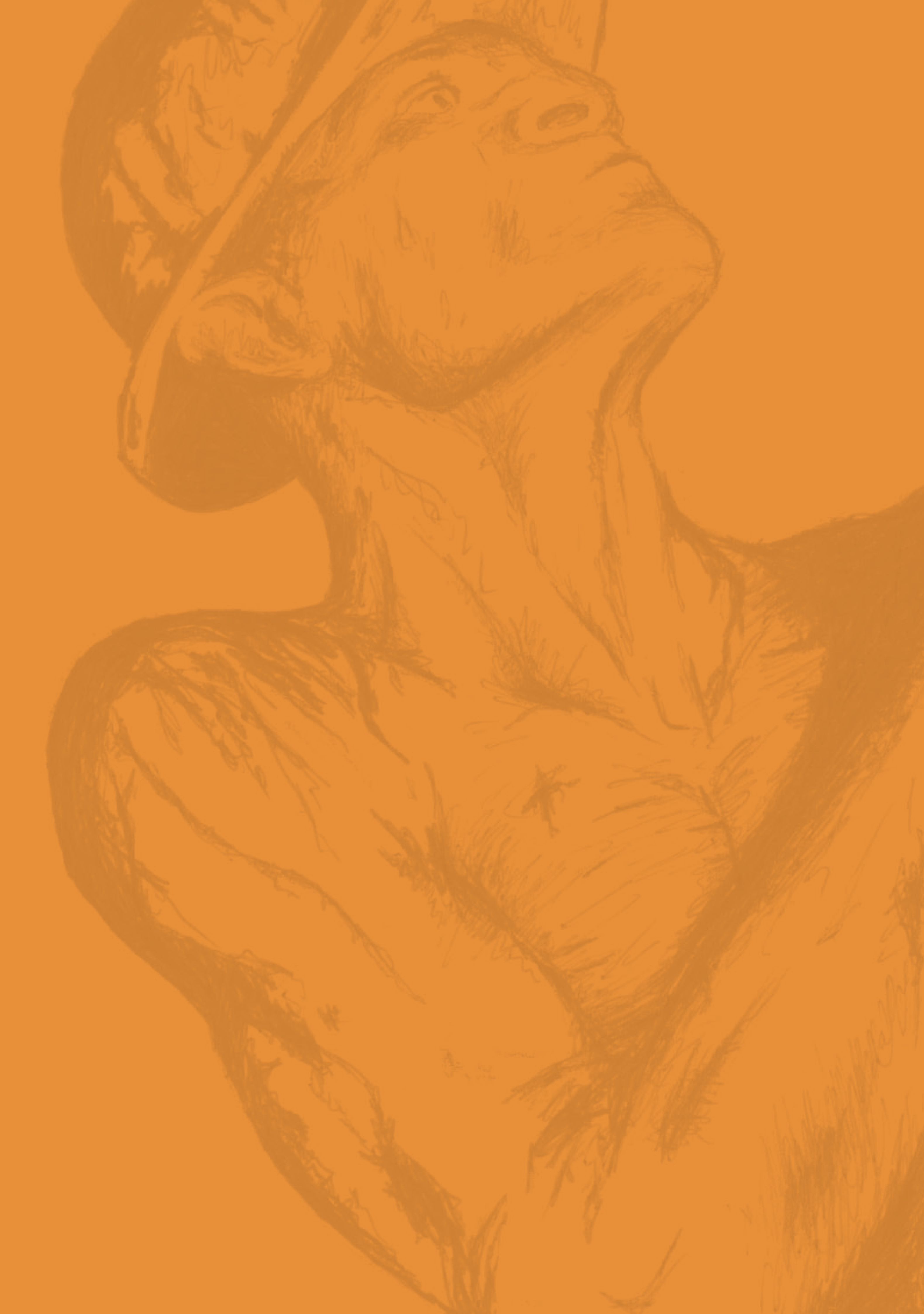
ANNUAL REPORT 2008|2009

"Digging with Skills and Knowledge"

MINING QUALIFICATIONS AUTHORITY



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

MINING QUALIFICATIONS AUTHORITY

ANNUAL REPORT 2008/2009

"Digging with Skills and Knowledge"

Mining Qualifications Authority
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2107

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74-78 Marshall Street
Marshalltown
Johannesburg

Design and Layout
www.blackmoon.co.za

RP110/2009
ISBN: 978-0-621-38648-6

Vision

A competent, health and safety oriented Mining and Minerals workforce.

Mission

To ensure that the Mining and Minerals Sector has sufficient competent people who will improve health and safety, employment equity and increase productivity.

Values

The MQA subscribes to the following values:

- Continuous learning
- Empowerment
- Professionalism
- Honesty and mutual respect
- Service excellence

Legislative Mandate

- Mine Health and Safety Act (No. 29 of 1996)
- Skills Development Act (No. 97 of 1998)
- South African Qualifications Authority Act (No. 58 of 1995)
- Minerals and Petroleum Resources Development Act (Act 28 of 2002)

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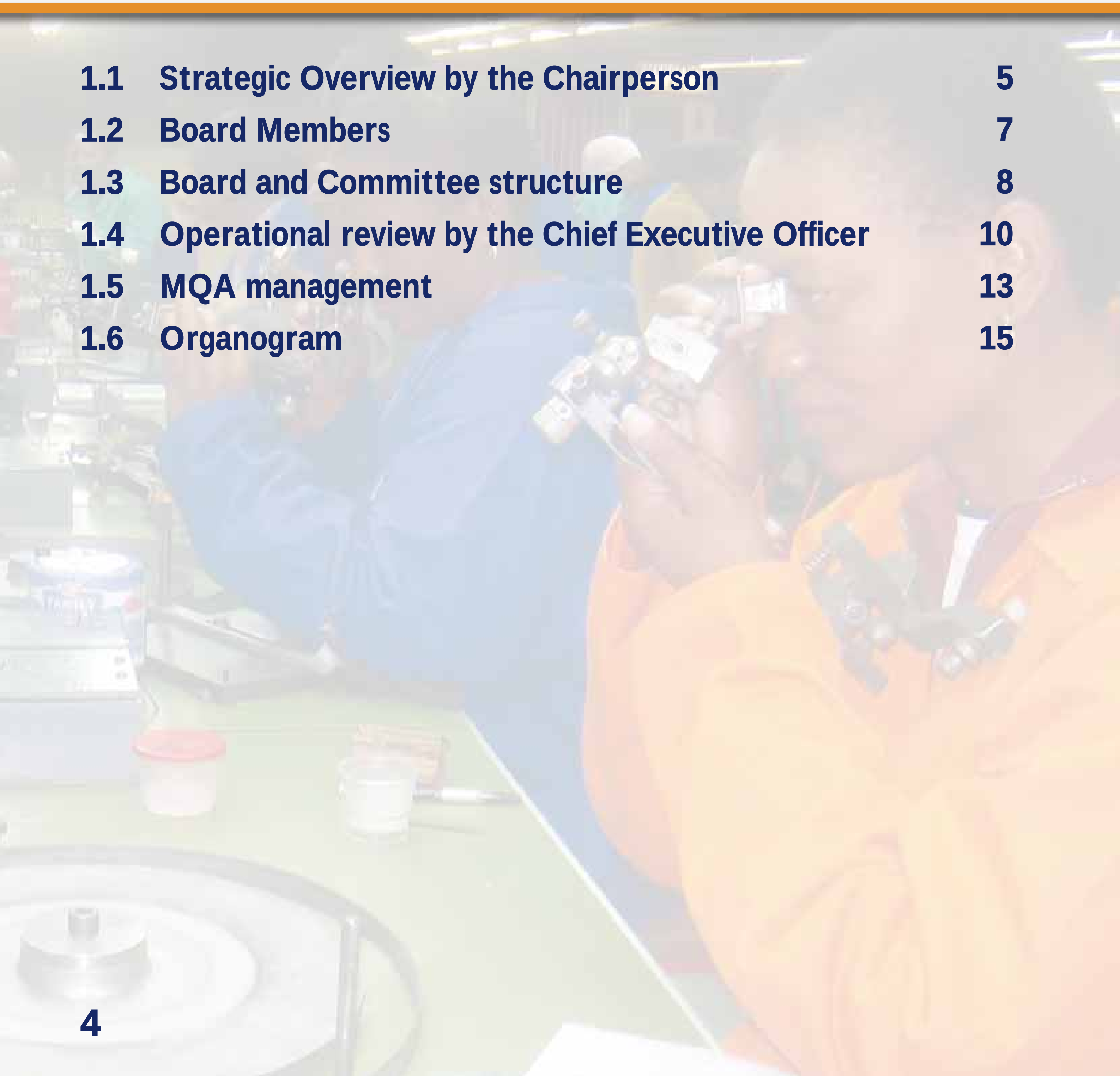
Section 1: General information



1.1 Strategic Overview by the Chairperson

Thabo Gazi
MQA Chairperson

On behalf of the governing Board of the Mining Qualifications Authority (MQA), it is my pleasure to present this annual report to the Minister of Labour, Mr. M Mdladlana and the Minister of Minerals and Energy, Ms. B Sonjica and our sector stakeholders.

The projects and programmes of the MQA are aligned to the broad strategic objectives identified by the Board aimed at addressing critical and scarce skills through human resource development, redressing the imbalances brought by the previous dispensation, increase of women in the mining sector and the empowerment of previously disadvantaged communities.

The implementation of good corporate governance coupled with sound financial management practices is regarded as fundamental to the future sustainability of the MQA. The members of the Board displayed professionalism in dealing with national and strategic issues. The MQA continued to produce a good set of audit results on an annual basis from both the internal auditors and Auditor General. The ever increasing reserves and the slow disbursement of discretionary grants remain a great concern for the Board. A strategy on how to deal with the increased reserves will be considered in the first quarter of the new financial year.

Increased emphasis was placed on partnerships with stakeholders and other bodies such as the Mining and Minerals Development Board (MMDB). The partnership with the Mine Health and Safety Council will fast track the objectives of the Presidential Audit Report on safety in mines that requires a massive investment in skills development through the establishment of Skills Development Institutes.

The mining industry achieved an overall score of 66% compliance with the requirements of the Mine Health and Safety Act. Whilst this is commendable based on statistics since the early nineties, the elimination of injuries and deaths remains our ultimate priority.

The Board held its strategic planning session on 01 & 02 October 2008. The focus was to strategically position the MQA currently and beyond 2010 pending the announcement of the SETA landscape in October 2009. The strategic objectives were refocused to ensure alignment with its legislative mandate. The strategy was amended from seven to five objectives, namely:

- Transformation of the sector through skills development;
- Health and Safety training and development;
- The development of our current workforce and new entrants to the labour market;
- Reskilling of the employed/unemployed for sustainable employment;
- The delivery of quality training and development.

The Board adopted the Balanced Scorecard approach in the implementation and monitoring of its strategic objectives. This approach will ensure that effective control measures are in place to monitor financial and non financial indicators. Despite the ongoing retrenchments in the mining industry, which is likely to continue in 2009, the revenue stream of the MQA increased steadily over the last few years. Immense pressure will be placed on the sector to retain critical and scarce skills due to the high demand for skills.

Challenges

The eminent review of the Mining Charter in October 2009 will result in the review of our Mining Charter Support Strategy and is largely dependent on the achievements in the last five years with transformation and empowerment in the industry.

In consideration of the economic downturn and the eminent loss of jobs in the sector, it is critical for the MQA to mitigate the impact of job losses on the overall economy, through the development of a strategy to deal with retrenchments in the sector.

Appreciation

Ministers, Stakeholders and MQA Management and Staff, on behalf of the MQA governing body, I would like to extend my sincere gratitude for the support and the diligent manner in which the mandate of the MQA was executed over the past year. It is an honour and privilege to serve as a member of a Board that is committed to accelerate service delivery in our sector, and the continuity of such support will ensure that the MQA will go from strength to strength.

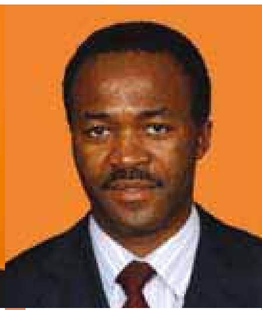
Thabo Gazi
MQA Chairperson
31 May 2009

1.2. Board members

State


Thabo Gazi
Department of Minerals and Energy


Dipalesa Mokoboto
Department of Minerals and Energy


Jacinto Rocha
Department of Minerals and Energy

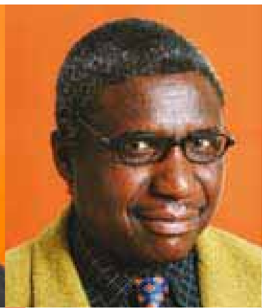

Pessy Mnisi
Department of Minerals and Energy


Edson Ragimana
Department of Minerals and Energy

Labour


Amon Teteme
National Union of Mineworkers


Zwelitsha Tantsi
National Union of Mineworkers


Eddie Majadibodu
National Union of Mineworkers


Faith Letlala
National Union of Mineworkers


Richard Samuel
United Association of South African

Employers


Vusi Mabena
Chamber of Mines


Neels Jooste
Goldfields


Graham Brokenshire
Anglogold


Jackie Mathebula
Harmony


Patricia Ngqeleni
Virgile Mining Contractors

1.3. Board and Committee structure

	NAME	FUNCTION	COMPOSITION	QUORUM	CHAIRPERSON	SECRETARY	MEETING
1.	MQA Board	Accounting Authority policy, strategies and resource allocations	5 representatives per stakeholder group present	2 stakeholder groups present	Chief Inspector of Mines	External Service Provider	Quarterly
2.	MQA Executive Committee	Board delegated tasks and management oversight	3 conveners of stakeholder representative groups, CEO, COO, CFO & EMCS	2 conveners present	Chief Inspector of Mines	External Service Provider	Every second month
3.	Skills Development Levy/Finance Committee	Advises on budget, financial control of projects and grants, levy grant disbursement	2 representatives per stakeholder group, CEO, COO, CFO and EMCS	2 stakeholder groups present	Board Member	External Service Provider	Every second month
4.	Skills Planning and Research Committee	Advises on the development and implementation of the sector skills plan, administration of the workplace skills plan and annual training report and grants, unit projects and grant implementation	2 representatives per stakeholder group and unit management	2 stakeholder groups present	Board Member	External Service Provider	Every second month
5.	Learning Programmes Committee	Advises on learning programmes, skills programmes registration, learning material development, apprentice administration, MQA-I-share administration, and unit projects and grants implementation	2 representatives per stakeholder group and unit management	2 stakeholder groups present	Board Member	External Service Provider	Every second month
6.	ETQA Committee	Advises on quality assurance, accreditation, MoUs with SETAs, monitoring of learning provision, unit projects and grants implementation	2 representatives per stakeholder group and unit management	2 stakeholder groups present	Board Member	External Service Provider	Every second month
7.	SGB Committee	Advises on the development and registration of standards and qualifications, development of learning programmes, skills programmes and ratification of learning materials, unit projects grant implementation and liaises with other SGBs	4 representatives per stakeholder group, 2 representatives from SQCG facilitators, 4 representatives from professional bodies, 2 representatives from providers, 1 representative from manufacturers, suppliers and unit management	13 representatives (51%) present	Board Member	External Service Provider	Every second month
8.	Audit Committee	Advises on effectiveness of financial management systems and controls in terms of the PFMA	3 external representatives, 2 representatives per stakeholder group, representative from internal auditors, 1 representative from external auditors, CEO, COO, CFO and EMCS	2 stakeholders from different stakeholder groups and 1 external representative present	External Representative	External Service Provider	Quarterly

Board meeting attendance 2008/2009

	CHAIRPERSON	ORGANISATION	CONSTITUENCY	MEETING DATES					TOTAL
				24 April 08	29 May 08	30 July 08	30 October 08	29 January 09	
1	T. Gazi *	Department of Minerals and Energy	State	√	×	√	√	√	4
	MEMBERS	ORGANISATION	CONSTITUENCY						
2	E. Ragimana	Department of Minerals and Energy	State	√	√	×	√	×	3
3	D. Mokoboto	Department of Minerals and Energy	State	√	×	√	√	√	4
4	P. Mnisi	Department of Minerals and Energy	State	√	√	√	√	√	5
5	D. Maphutha	Department of Minerals Energy	State	√	×	×	×	×	1
6	M. Zondi	Department of Minerals and Energy	State	×	×	×	×	√	1
7	A. Teteme *	National Union of Mineworkers	Labour	√	√	√	√	√	5
8	Z. Tantsi	National Union of Mineworkers	Labour	×	×	√	×	√	2
9	E. Majadibodu	National Union of Mineworkers	Labour	√	×	√	√	×	3
10	R. Samuel	United Association of South Africa	Labour	√	×	√	×	√	3
11	F. Letlala	National Union of Mineworkers	Labour	×	√	√	×	√	3
12	A. Tshangase	National Union of Mineworkers	Labour	√	√	×	√	×	3
13	V. Mabena *	Chamber of Mines	Employers	√	√	×	√	√	4
14	G.J. Brokenshire	Anglogold	Employers	×	√	√	√	×	3
15	J. Mathebula	Harmony	Employers	×	√	×	√	√	3
16	A.G.W. Knock	Anglo Platinum	Employers	×	×	×	×	×	0
17	P. Nqgeleni	Virgile Mining Contractors	Employers	√	√	√	√	×	4
18	S. Carthy	Chamber of Mines	Employers	√	×	√	×	×	2

* Convenor of stakeholder delegation

M. Zondi – New appointment, effective from 1 January 2009

A. Knock – Resigned from 1 June 2008

D. Maphutha – Resigned from 2 May 2008

S. Carthy – Alternate member

A. Tshangase – Alternate member

1.4 Operational review by the Chief Executive Officer

Livhu Nengovhela
Chief Executive Officer

It is an honour for me to introduce the overview of the MQA achievements against targets set out by the National Skills Development Strategy (NSDS) II and the Mining Charter Support Strategy for the period 01 April 2008 to 31 March 2009. This report highlights the MQA efforts to address the key skills development challenges facing the sector, the milestones achieved towards the MQA legislative mandate, as well as comment on the progress and challenges in meeting the targets outlined in the sector skills plan.

The year under review saw the ninth year of the existence of SETA's and once again the MQA has continued to focus on its vision to build a competent health and safety orientated workforce for the benefit of economic growth and development. The performance of the MQA has been well documented and the performance rating by the department of labour will attest to the fact that the MQA is performing well above the expected standards.

The performance of the MQA was highlighted by an increased effort to improve interaction with stakeholders through various initiatives such as road shows, exhibitions, conferences and one-on-one meetings. Strong partnerships have been fostered with the Diamond Council of South Africa, Jewellery Council of South Africa, South African Women in Mining, the Mining and Minerals Development Board and the Mine Health and Safety Council. Further efforts are being made to increase interaction with various associations in the sector including small and junior miners.

A more aggressive approach in the improvement of health and safety in the mining industry has been adopted with collaborative initiatives with the Mine Health and Safety Council. The Mine Health and Safety Tripartite Leadership Summit Agreement was signed between the Mine Health and Safety Council, organised business and labour in an elevated attempt to address the injuries and fatalities that have for decades overwhelmed the industry. The agreement will assist in promoting a culture of health and safety amongst employees, communicate the benefits of increased awareness for a safer and healthier workplace and assist in forming partnerships that will ensure that information is disseminated as widely as possible. The Presidential Audit report on safety in the mining industry issued on 02 February 2009 revealed unpleasant findings about our sector and there were comprehensive recommendations in the report that required the MQA, in collaboration with other stakeholders, to address these findings.

The MQA has also engaged stakeholders on matters relating to the amendments to the Mine Health and Safety Act, National Qualifications Framework and the Skills Development Act. The most fundamental change of the Mine Health and Safety Act in terms of skills development is that it will be compulsory for all companies in the mining industry to submit Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs). This will greatly assist in providing a more accurate analysis of skills development needs in the sector. To demonstrate the impact this legislation will have, the MQA is expected to receive more than 1500 WSPs and ATRs as opposed to what has been just fewer than 500 previously, resulting in an increase of more than 300% WSP and ATR submissions.

Following questions regarding its viability and efficiency, and a subsequent assessment of the Datanet system, the MQA took a bold strategic decision to implement a new Management Information System. Whilst the MQA acknowledges challenges of the operationalisation of a new management information system, such as data migration, we are confident that the stakeholders will benefit in a long term. The new system named MQA-I-Share replaced the Datanet system and became incrementally operational by 01 November 2008. The ultimate objective with the MQA-I-Share system is to ensure hassle free registration of learners and speedy disbursement of grants to the industry. The delays in the payment of grants to the industry are sincerely regretted, and I can assure all stakeholders that the MQA is doing everything in its power to fully operationalise the system.

The slow disbursement of grants created huge reserves in the MQA. Whilst internal processes need improvement to expedite the payment of projects and grants, I am confident that the low intake of learners on learning programmes such as ABET, learnerships as well as the registration of learners by employers will improve through the implementation of the MQA-I-Share system.

Despite the global economic crunch and the pressure on commodity prices, the revenue of the MQA increased from R448 million in 2007/08 to R548 million in 2008/09. The sustainability of the revenue stream is largely due to new employers in the sector, despite the retrenchments over the last year. The MQA in collaboration with the industry will be considering a retrenchment strategy to alleviate the impact of these retrenchments.

The MQA has with the application of sound financial management practices ensured that it remained within the 10% statutory allocation of the administrative budget. Only R46 million is spent on administration costs as opposed to the R56 million that it is allowed to spend in terms of its revenue. The MQA Board approved thirty three [33] discretionary projects valued at R 205 million to address training requirements and skills shortages in the sector. These projects aim to address the skills gaps identified in the sector skills plan and the report on critical and scarce skills approved by the Board.

The projects include an investment in learning programmes, occupational health and safety, practical work experience, internships, artisan development and bursaries. Critical and scarce skills have been identified by the MQA for the sector. All MQA programmes are aimed at addressing skills shortages in the scarce and critical skills disciplines. A guide on the critical and scarce skills is available on the website.

It prides me to announce that three learners who achieved sterling matric results and were aspiring to pursue mining as a career, but were faced with the challenge of no financial aid, are now living their dreams following the MQA's intervention in the form of bursaries.

The backlog of certification is robustly being addressed following the implementation of additional security measures to eliminate fraudulent certificates.

The MQA in collaboration with industry stakeholders held a very successful workshop at the Parktonian Hotel on 18 March 2008 to obtain buy-in from the relevant stakeholder groupings in the industry for the way forward with the competency standards for Rock Engineering practitioners. The workshop unanimously agreed that the Mining and Minerals Standards Generating Body (SGB) be approached to arrange for the development and roll-out of an appropriate "Implementation Plan for Rock Engineering competency standards". The SGB subsequently approved the recommendations agreed at the workshop and agreed to act as custodian for this initiative. The SGB established a Rock Engineering Steering committee to prepare the implementation plan and to coordinate and oversee its effective roll-out in the South African Mining and Minerals Sector (SAM & MS).

The importance of communication to our stakeholders has been reaffirmed through the appointment of a media agency, named Cutting Edge Zibonele. The objective was to increase the MQA's media profile and make sure that communication initiatives reach all target groups within the sector. The MQA has seen a marked improvement in its media profile over the last year. As a means of addressing and communicating the current skills shortage in the industry and to encourage potential learners into mining related careers, we have compiled a comprehensive mining and minerals sector career booklet and digital versatile disc (DVD). This is to ensure that learners at high school are exposed to the critical and scarce skills and to raise interest for learners to pursue careers in mining and finally enrol in mining and minerals related disciplines at tertiary institutions.

Compliance with good corporate governance is regarded as a cornerstone for our success. The Board expressed satisfaction of the technical advisory role of standing committees to execute its legislative mandate. A Risk management workshop has also been conducted in September 2008 to ensure that all possible pervasive and operational risks are identified and controls put in place to mitigate the risk of fraud and corruption. A toll-free hotline managed by an external service provider is fully functional to support our fight against fraud and corruption.

The Board approved a new organisational structure on 29 May 2008. The MQA staff compliment increased from 64 to 71 staff members including 10 internship positions. The rationale for the review of the organisational structure was to ensure that communication with the industry is strengthened and compliance with corporate governance is improved, with specific emphasis on procurement. In addition, the establishment of research capacity within the MQA will ensure the adoption of a research agenda that will accurately reflect skills development needs of the sector.

The MQA Board approved a skills development cooperation strategy with the South African Development Community (SADC) countries. This strategy will allow the MQA to share information and expertise with all SADC countries. The first country to take advantage of the strategy is Botswana when the Botswana Training Authority (BOTA) signed a Memorandum of Understanding (MoU) with the MQA. The MoU allows for reciprocal study tours and the sharing of information relating to quality assurance of qualifications development. The major benefit of this cooperation agreement is that mining and minerals related qualifications that are developed in both countries will be based on the same standards ensuring employability of workers across country borders.

Challenges

The new SETA landscape will present the MQA and all other SETA's with implementation challenges whilst trying to retain suitably qualified and experienced staff through this uncertain time.

The development of interventions, in collaboration with the industry and the National Skills Fund (NSF), with regards to retrenchments for the sustainability of our economy has equally been challenging.

The global economic meltdown in commodities such as platinum and diamonds may have a further impact on job losses in the future and this will have a negative effect in the sector.

Acknowledgements

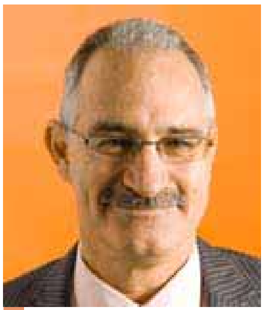
My appreciation goes to my Board Members, Stakeholders, Standing Committees, Executive Management Team, MQA Management and Staff whose guidance and support carried us through many challenges. The success of the MQA is attributed to a joint effort by everybody through their unselfish commitment to the realisation of our goals and objectives.

Livhu Nengovhela
Chief Executive Officer
31 May 2009

1.5 MQA Management

Executive Management

Livhu Nengovhela
Chief Executive Officer



Florus Prinsloo
Chief Operating Officer

Skills Development and Research
Standards Generation
ETQA
Learning Programmes
Strategic Projects
National Skills Fund

Yunus Omar
Chief Financial Officer

Financial Administration
Procurement
Levy Grant Administration
Risk and Fraud
Administration
Management Information Systems

Darion Barclay
Executive Manager
Corporate Services

Corporate Governance
Customer Service
Communication
Human Resources
Office Management and Facilities

Managers

Meryl Plasket
Skills Development and Research

Valaine Nel
Standards Generation

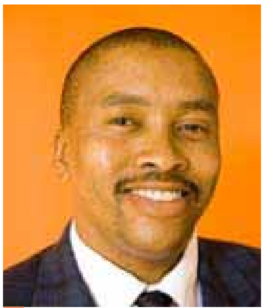
Jay Moodley
Education Training and Quality Assurance

Lulama Manyadu
Strategic Projects

Mfundo Mdingi
Finance

Merle Clark
Customer Service and Communication

Thapelo Madibeng
Learning Programmes



Xolisa Njikelana
National Skills Fund

MQA Management (continued)

Specialists


Motlalepula Matjila
Skills Development


Vuyani Ntantjana
Research


Jeanette De Leeuw
Standards Generation

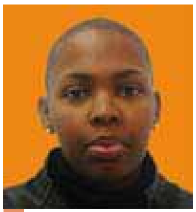

Boitumelo Makgotlo
Standards Generation


Bridgette Mathebula
Quality Assurance


Herman Mankga
Programme Evaluation


Zodwa Mashinini
Quality Assurance


Tshepo Tsotetsi
Projects


Nonceba Singiswa
Learning Programmes

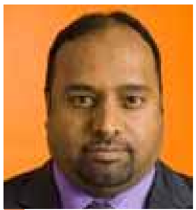

Sonwabile Xaba
Learning Programmes


Micheal Paulsen
ABET


Amanda Masilo
Communication


Simon Miyambo
Human Resources


Olive Netsianda
Office Manager


Myan Govender
Assistant Accountant


Venishan Naidu
Management Information Systems

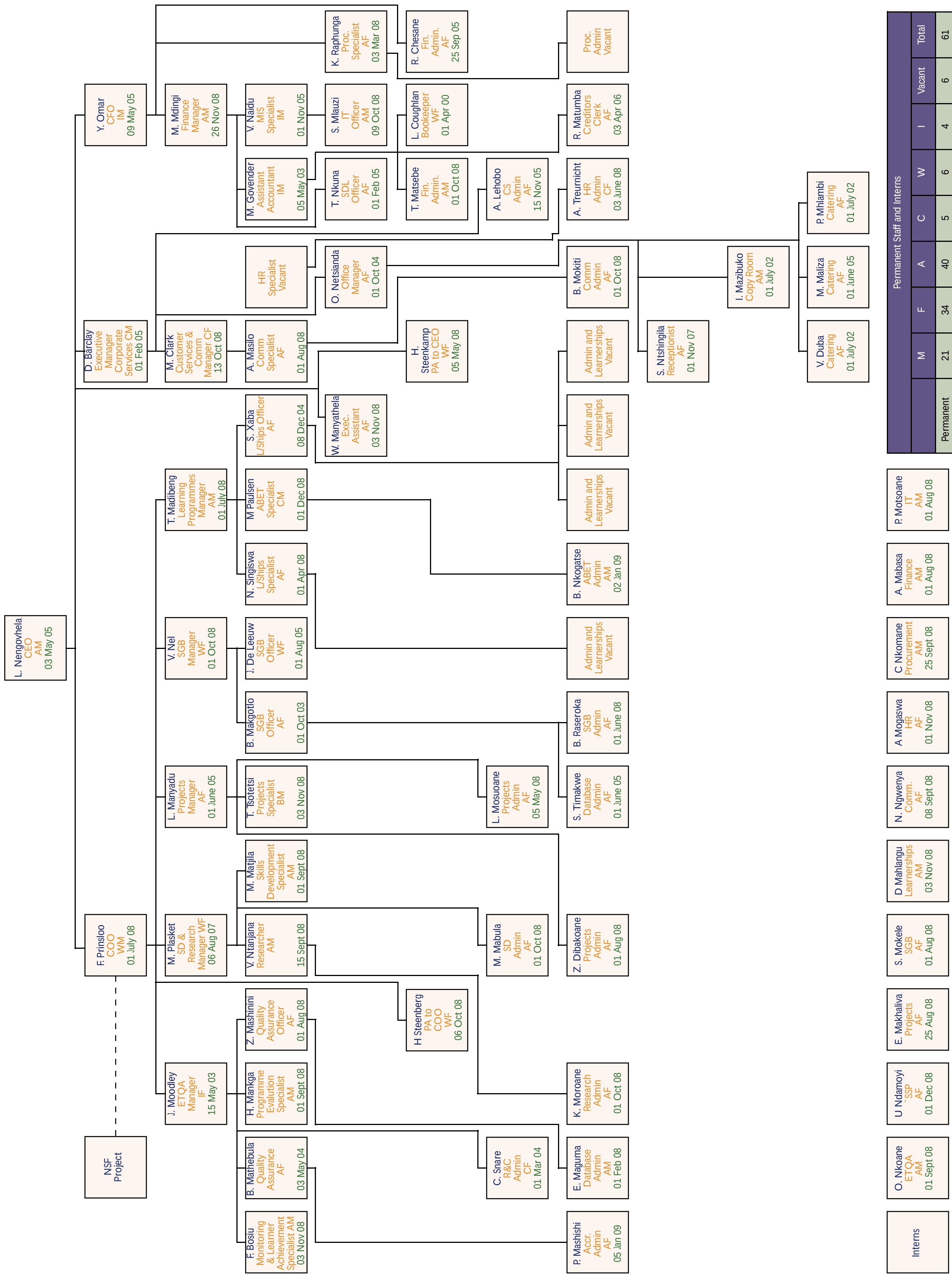

Tintswalo Nkuna
Skills Levies


Khathu Raphunga
Procurement


Winnie Manyathela
Executive Assistant


Sakhile Mlauzi
Information Technology

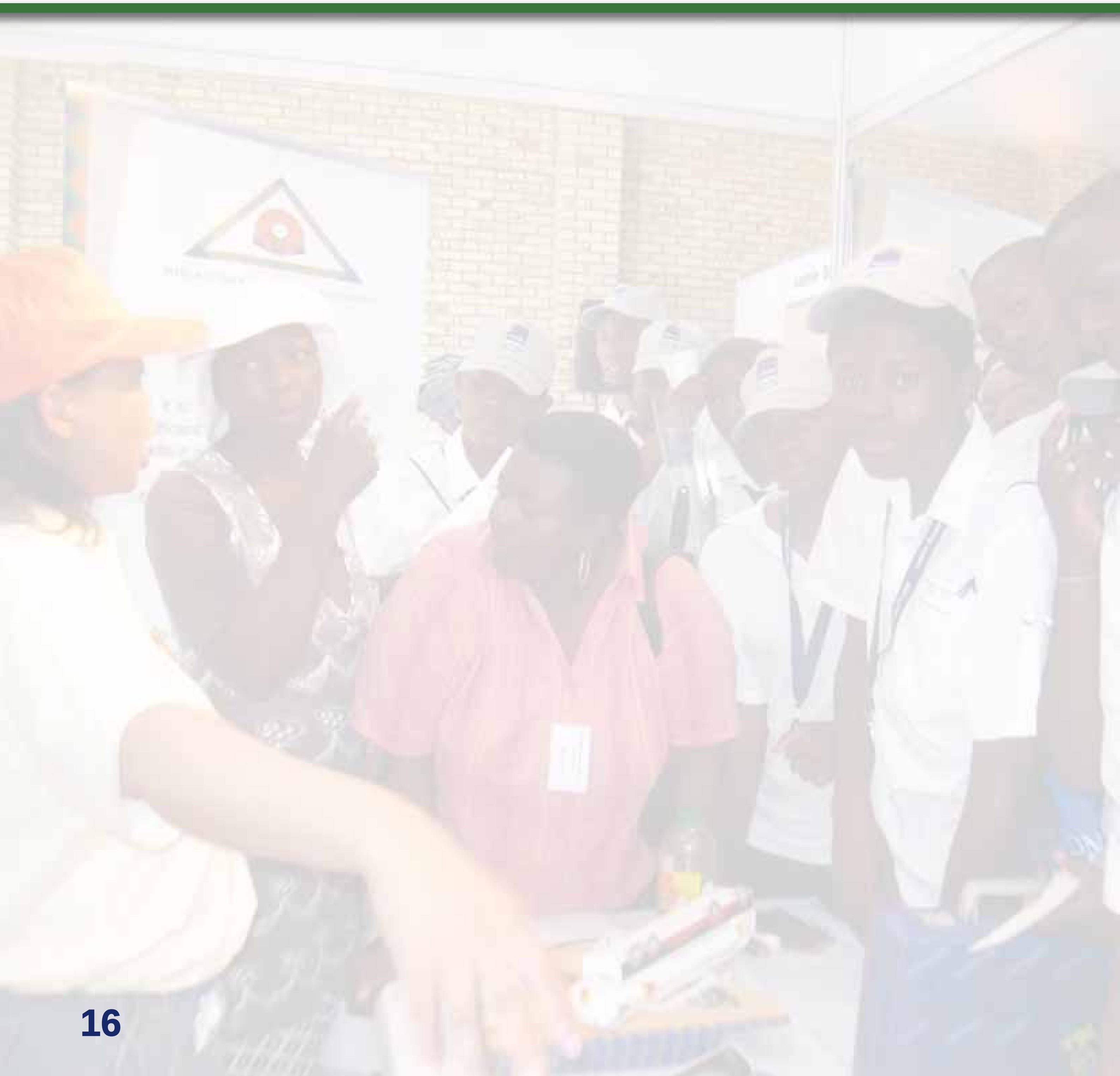
1.6 Organogram



Permanent Staff and Interns

	M	F	A	C	W	I	Vacant	Total
Permanent	21	34	40	5	6	4	6	61
Interns	4	6	10	0	0	0	0	10
TOTAL	25	40	50	5	6	4	6	71

Section 2:
2008/2009 National Skills Development Strategy



NATIONAL SKILLS DEVELOPMENT STRATEGY 2005-2010 - MQA REPORT FOR THE PERIOD 2008-2009

No	National Skills Development Strategy 2005 – 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	MQA Plan for 2005 – 2010 Five Year Targets	MQA Plan for 2008– 2009 Annual Targets Budget in R 000's	MQA Achievements for 2008-2009 Expenditure in R 000's	Department of Labour Performance Scorecard Results
1.	**Prioritising and communicating critical skills for sustainable growth, development and equity.**	**Indicator 1.1** Skills development supports national and sectoral growth, development and equity priorities.	Target is the same for each year from 2005 to 2010 as described under Annual Target.	The SSP or Annual Update is submitted and signed off by the: a) MQA and Department of Labour who agreed growth, development and equity strategy drivers. b) Signature of SETA Board Chairperson. c) Department of Labour Executive Manager responsible for quality assurance of SSP. The SSP or Annual update submitted on time as per Department of Labour Guidelines. Discretionary Budget: **R 4 500**	The 2005-2010 SSP Update was signed off by the Department of Labour Executive Manager responsible for quality assurance of SSP. It reflects MQA/Department of Labour agreed growth, development and equity strategy drivers. The Annual update was submitted on time as per Department of Labour Guidelines. Discretionary Expenditure: **R 230**	**Target achieved.** **Target achieved.** **Target achieved.** **Discretionary:** Slow progress on research partner implementation.
		Indicator 1.2 Information on critical skills widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.	Target is the same for each year from 2005 to 2010 as described under Annual Target.	Annual guide on critical skills needs for the sector developed and available to learners. **200** SDFs or Sector Specialists to be trained in the sector for the year 2008-2009. Discretionary Budget: **R 4 500**	The MQA annual guide on critical skills needs was developed for the sector and available to learners. **584** SDFs or Sector Specialist were trained. Discretionary Expenditure: **R 1 815**	**Target achieved.** **Target exceeded** due to good participation and support recieved from the sector in attending forums and training arranged by the MQA. **Discretionary:** Slow progress on SDF support implementation.
2.	**Promoting and accelerating quality training for all in the workplace**	**Indicator 2.1** By March 2010 at least 80% of large firms and at least 60% of medium firms employment equity targets are supported by skills development. Impact on overall equity profile assessed.	Target is set for each year from 2005 to 2010 as described under Annual Target.	The target for the large firms is **110** firms. The target for medium firms is **64** firms. Discretionary Budget: **R 1 000** Mandatory Budget: **R 243 667**	**100** large firms received WSP/ATR grants. **55** medium firms received WSP/ATR grants. Discretionary Expenditure: **R 414** Mandatory Expenditure: **238 285**	**Target not achieved.** Possible change in baseline levels as well as limited advocacy among large companies. **Target not achieved.** Possible change in baseline levels as well as limited advocacy among medium companies. **Discretionary:** Slow progress on implementation of new management information system.

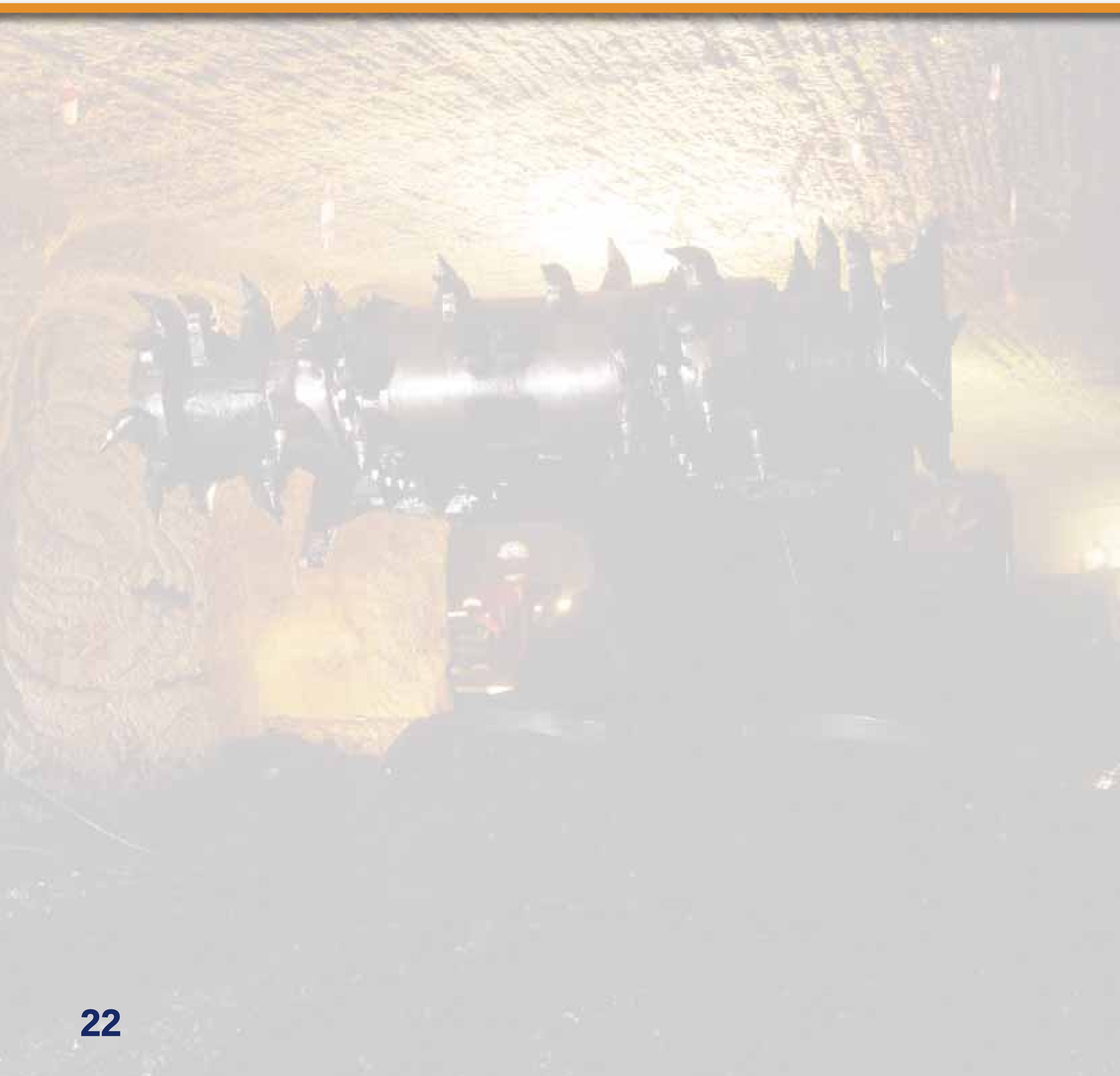
No	National Skills Development Strategy 2005 – 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	MQA Plan for 2005 – 2010 Five Year Targets	MQA Plan for 2008– 2009 Annual Targets Budget in R 000's	MQA Achievements for 2008-2009 Expenditure in R 000's	Department of Labour Performance Scorecard Results
		Indicator 2.2 By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.	Target is set for each year from 2005 to 2010 as described under Annual Target.	The target for the different number of small firms is **351** firms. Discretionary Budget: Refer 2.1 Mandatory Budget: Refer 2.1	**351** small firms received WSP/ATR Grants. Discretionary Expenditure: Refer 2.1 Mandatory Budget: Refer 2.1	**Target achieved.** Slow progress on support for small companies. **Discretionary:** Refer 2.1
		Indicator 2.5 Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.	Target for the sector for the period 2006 – 2010 will be established after completion of baseline survey.	The target for the period 2008-2009 is **20** small BEE firms. The target for the period 2008-2009 is **0** BEE co-operatives. Discretionary Budget: **R 6 600**	**118** small BEE firms supported Discretionary Expenditure: **R 4 392**	**Target exceeded.** Well focused project implementation **Discretionary:** Good progress made
		Indicator 2.7 By March 2010 at least 700 000 workers have achieved at least ABET Level 1 to 4.	Target for the sector for the period 2005 to 2010 is **43 000** learners to have achieved ABET 1 to 4. The target of learners to have entered and achieved ABET levels are: Level 4: 6 000 Level 3: 10 000 Level 2: 12 000 Level 1: 15 000	Total target for the sector for the period 2008 -2009 is **6 800** learners to enter and achieve ABET levels 1 to 4. The target of learners to have entered and achieved ABET levels are: Level 4: 800 Level 3: 1 000 Level 2: 2 000 Level 1: 3 000 The target for sector for the period 2008/09 is **3 400** learners to achieve ABET levels as follows: Level 4: 400 Level 3: 500 Level 2: 1 000 Level 1: 1 500 Discretionary Budget: **R 20 440**	A total of **12 235** learners have entered ABET programmes. Breakdown per level: Level 4: 1051 Level 3: 3461 Level 2: 3736 Level 1: 3987 A total of **10 332** learners have completed ABET programmes. Breakdown per level: Level 4: 355 Level 3: 1316 Level 2: 5336 Level 1: 3325 Discretionary Expenditure: **R 19 384**	**Targets exceeded.** Good support from the sector with regards to the implementation of ABET programmes. **Targets exceeded.** Good support from the sector with regards to the implementation of ABET programmes. The Level 1 and 2 achievements are still being verified by the DoL as part of the scorecard validation process. **Discretionary:** Good progress made

No	National Skills Development Strategy 2005 – 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	MQA Plan for 2005 – 2010 Five Year Targets	MQA Plan for 2008– 2009 Annual Targets Budget in R 000's	MQA Achievements for 2008-2009 Expenditure in R 000's	Department of Labour Performance Scorecard Results
		Indicator 2.8 By March 2010 at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	Target for the sector for the period 2005 to 2010 is **30 500** learners.	Target for the sector for the period 2008-2009 is **6 100** learners to have entered learning programmes, including: Learnerships 1 000 Skills Programmes 5 000 Workers to enter (MTA Section 13) 60 Workers to enter (MTA Section 28) 40 Target for the sector for the period 2008-2009 is **3 050** learners to have completed learning programmes, including: Learnerships 500 Skills Programmes 2 500 Workers to enter (MTA Section 13) 30 Workers to enter (MTA Section 28) 20 Discretionary Budget: **R 50 997**	A total of **9 754** learners have entered into learning programmes including; **8 130** learners that have entered into skills programmes. **1 492** learners that have entered into learnerships **126** learners that have entered (MTA Section 13) apprenticeships. **6** learners that have entered (MTA Section 28) apprenticeships A total of **21 314** learners have completed learning programmes including; **1 059** learners that have completed learnerships **20 191** learners that have completed skills programmes **4** learners that have completed Section 13 and **60** learners that have completed Section 28 apprenticeships Discretionary Expenditure: **R 19 415**	**Target exceeded.** Good support from sector. **Discretionary:** Limited take up of grants due to economic slow down.
3.	**Promoting employability and sustainable livelihoods through skills development**	**Indicator 3.2** By March 2010, at least 2000 non-levy paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.	Target for the sector for the period 2005 to 2010 is **20** enterprises.	Target for the sector for the period 2008-2009 for non levy paying enterprises, NGOs and CBOs is **6** enterprises. Discretionary Budget: **R 5 500**	**12** enterprises were supported. Discretionary Expenditure: **R 4 859**	**Target exceeded.** Well focused project implementation **Discretionary:** Good progress made.

No	National Skills Development Strategy 2005 – 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	MQA Plan for 2005 – 2010 Five Year Targets	MQA Plan for 2008– 2009 Annual Targets Budget in R 000's	MQA Achievements for 2008-2009 Expenditure in R 000's	Department of Labour Performance Scorecard Results
4.	**Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work based programmes to acquire critical skills to enter the labour market and self employment**	**Indicator 4.1** By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.	Target for the sector for the period 2005 to 2010 is **6 590** learners to enter learning programmes and **3 295** learners to have completed learning programmes.	Target for the sector for the period 2008-2009 is **1 318** unemployed people to enter learning programmes including; **1 118** unemployed people to enter learnerships and **200** unemployed people to receive bursaries. Target for the sector for the period 2008-2009 is **659** unemployed people to successfully complete learning programmes. **559** Unemployed to successfully complete learnerships. **100** Unemployed people successfully completed studies in bursaries. Discretionary Budget: **R 73 079**	Total number of people that have entered learning programmes is **1 542**. **790** learners have entered learnerships. **6** learners have entered Section 13 and **7** learners have entered Section 28 apprenticeships. **739** unemployed people have received bursaries. A total of **660** learners have completed learning programmes. **514** learners have completed learnerships. **1** learner has completed Section 13 and **15** learners have completed Section 28 apprenticeships and **130** learners have completed bursaries. Discretionary Expenditure: **R 44 892**	**Target exceeded.** **Target Achieved.** Slow progress due to economic down turn in the sector. **Discretionary:** Limited take up of grants due to economic slow down.
		Indicator 4.2 100% of learners in critical skills programmes covered by Sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment	Target for the sector for the period 2005 to 2010 is **640** practical training learners, including GDP learners. **448** learners to become self-employed or employed.	Target for the sector of learners assisted to gain work experience for the period 2008-2009 is **160**. Target (70%) of students/graduates who find placement in employment or self-employment is **112**. Discretionary Budget: **R 22 400**	**588** learners have been assisted with workplace experience. **112** learners have been assisted to find placement in employment or self-employment. Discretionary Expenditure: **R 22 109**	**Target exceeded.** Well focused project implementation. **Discretionary:** Good progress made.
		Indicator 4.3 By March 2010, at least **10 000** young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of the programme	Target for the sector for the period 2005 to 2010 is **445** young individuals to be trained and mentored to form new ventures. Target is that **398** (70%) new ventures are sustainable and in operation 12 months after completion of the learning.	Target for the that sector for the period 2008-2009 is **130** young individuals trained and mentored in new ventures. Target for the sector is **91** new ventures are sustainable and in operation 12 months after completion of learning. Discretionary Budget: **R 6 800**	**149** young people have been trained. **96** new ventures are in operation 12 months after completion of the programme. Discretionary Expenditure: **R 6 792**	**Target exceeded.** **Target achieved.** **Discretionary:** Good progress made.

No	National Skills Development Strategy 2005 – 2010 Objectives	National Skills Development Strategy 2005 - 2010 Success Indicators, National Targets	MQA Plan for 2005 – 2010 Five Year Targets	MQA Plan for 2008– 2009 Annual Targets Budget in R 000's	MQA Achievements for 2008-2009 Expenditure in R 000's	Department of Labour Performance Scorecard Results
5.	**Improving the quality and relevance of provision**	**Indicator 5.1** By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public & private institutions and through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.	Target for the sector for the period 2005 to 2010 is **5** institutes.	Target for the sector for the period 2008-2009 is **5** institutes. Discretionary Budget: **R 2 291**	**6** Institutes of Sectoral or Occupational Excellence (ISOE) supported and recognised. Discretionary Expenditure: **R 961**	**Target exceeded** **Discretionary:** Slow progress on implementation of ISOE process.
		Indicator 5.2 By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.	Target for the sector for the period 2005 to 2010 is **5** institutes.	Target for the sector for the period 2008-2009 is **5** institutes. Discretionary Budget: **R 0**	**5** Providers are managing the New Venture Creation. Discretionary Expenditure: **R 0**	**Target achieved.** The MQA only utilises New Venture Creation Providers accredited with the Services SETA.
		Indicator 5.3 By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions responsible for the implementation of NQF in support of the NSDS.	Target is set for each year from 2005 to 2010 as described under Annual Target.	The target is to improve the quality of service delivery and implementation of NQF as required by SAQA and score a green rating on SAQA Audits. Discretionary Budget: **R 6 668**	SAQA Audit Rating = Orange Discretionary Expenditure: **R 5 449**	**Target not achieved** Due to ongoing challenges related to change over to new management information system. **Discretionary:** Good progress made.

Section 3:
Mining Charter Support Strategy



MQA STRATEGY TO SUPPORT THE MINING CHARTER: APRIL 2004 – MARCH 2010
ABRIDGED VERSION ADOPTED BY MQA ON 29 APRIL 2004
PROGRESS REPORT FOR THE PERIOD 2008 – 2009

	CHARTER OBJECTIVES	THE MQA PLANS TO	POTENTIAL CHALLENGES	MQA SUCCESS INDICATORS	PROGRESS REPORT FOR THE PERIOD 2008-2009
1.	**Skills Audit and Sector Skills Strategy**	Review the Sector Skills Plan (SSP) by October 2004 and produce a new SSP for 2005 - 2009.	Potential conflict between stakeholders in adopting sectoral skills priorities.	The Board and Department of Labour to approve a Sector Skills Plan for 2005 – 2010 Update.	The Board approved the 2005-2010 Mining and Minerals Sector Skills Plan Update, submitted to the Department of Labour (DOL) by 31 August 2008 and approved by DOL.
	Stakeholders should formulate a comprehensive skills development strategy to include a skills audit.'	Review the criteria for Workplace Skills Plans (WSP) and Annual Training Reports (ATRs) annually.		Skills audit guidelines and toolkit to be developed.	Scarce and critical skills in the sector were updated based on the analysis of the Workplace Skills Plan and Annual Training Report submitted for the 2008-2009 period.
		Maintain an appropriate database to facilitate reporting by companies on the implementation of the National Skills Development Strategy.			A Skills Audit Colloquium was held on 4 December 2008 with the aim of providing stakeholders, including Skills Development Facilitators, Sector Specialists, HR Practitioners and Skills Development Committee members with an opportunity to share their experiences and views of skills audits and reflect on good practice in skills auditing. The OFO-aligned skills audit guidelines, the toolkit and the process of auditing of core skills will be rolled out in the 2009-2010 financial year once the occupational profiling within the sector has been completed.
2.	**Career paths** Companies should implement career paths for their HDSA employees, including skills development plans.	Popularise the use of the MQA Qualifications Framework and publish case studies as part of the Communication Strategy. Ensure that qualifications remain relevant to support the mobility of employees.	Clarity on use of the Framework by industry and the role of the MQA is needed.	Reports of activities to promote the framework are accepted by the SGB.	The MQA Qualifications Framework has been updated and is also being revised. **33** qualifications and associated unit standards have been registered on the National Qualifications Framework.

	CHARTER OBJECTIVES	THE MQA PLANS TO	POTENTIAL CHALLENGES	MQA SUCCESS INDICATORS	PROGRESS REPORT FOR THE PERIOD 2008-2009
3.	**Literacy and Numeracy** Companies should offer opportunities for literacy and numeracy to every employee by 2010.	Implement a Recognition of Prior Learning (RPL) system at ABET 4/NQF1. Promote participation in ABET programmes among mineworkers.	Release of workers to attend ABET classes is a constraint. There are workplace incentives that take learners away from training.	**126 750** learners to participate in ABET programmes by March 2010. Quarterly ABET reports accepted by Board and Department of Labour. Reports on promoting Language Policy accepted by EXCO.	A total of **12 235** learners entered ABET 1-4 programmes in the 2008-2009 period, from a targeted **6 800**. And a total of **10 332** learners completed ABET programmes in the 2008-2009 period, from a targeted **4 000**. The review of the MQA language policy is underway, as well as research into language in the sector.
4.	**Generic skills for miners** Companies should provide training opportunities to miners to improve their income-earning capacity beyond the mine.	Adopt and implement a Communication Strategy to promote mining among new entrants to the mining industry.	Bringing more equity miners into the industry.	**2 000** Small Scale Miners to be trained in technical skills by 2010. 450 SMMEs to be trained in the Mineral Beneficiation skills programme by 2010.	Some **300** Small Scale Miners were trained during 2008-2009 in 9 provinces. The MQA Minerals Beneficiation Support Strategy was approved by the Board. **210** learners were trained in Mineral Beneficiation skills programme in 2008-2009
5.	**Maths and Science at schools** Stakeholders should promote Maths and Science at school level.	Support initiatives of the government or mines to promote Mathematics and Science at schools. The MQA to conduct research into Maths and Science initiatives in the sector.	The MQA would contribute in kind, but would not manage school projects. Reluctance by companies to support the Maths and Science projects.	Reports of MQA support accepted by Board. Research report on Maths and Science projects in the sector.	No targets were set for this during the 2008-2009 financial year, but a Maths and Science pilot project is being implemented in 2009-2010. Research was conducted on Maths and Science pilot project in the sector.

	CHARTER OBJECTIVES	THE MQA PLANS TO	POTENTIAL CHALLENGES	MQA SUCCESS INDICATORS	PROGRESS REPORT FOR THE PERIOD 2008-2009
6.	**Learnerships** Stakeholders should increase registered learnerships from 1 200 learners to a minimum of 5 000 by March 2010.	To encourage companies to enrol more learners into learnerships, and to prioritise the implementation of the RPL system. MQA to conduct impact analysis of learnership programmes	Learnership targets can only be met with the cooperation of employers. The sector target of **5 000** learners is not specified per individual mine or per license holder. Because of the economic recession, companies may be reluctant to take on learners after they have completed their learnership.	At least **5 000** employees should participate in learnerships by March 2010. Quarterly reports on learnerships are provided to the Board and Department of Labour. Impact Analysis Report	**1 491** employed learners and **790** unemployed learners entered into learnerships. **1 059** employed learners and **2 085** unemployed learners completed learnerships.
7.	**Employment equity (Management)** Companies agree to spell out their employment equity plans for junior and senior management levels and to target a 40% HDSA participation in 5 years.	Extend the period of the MQA Bursary Scheme to 2010. Give grants to mines that provide practical experience to the MQA, NUM and other needy and qualifying students studying in similar fields. In order to require MQA accredited training, providers must meet the 40% HDSAs target.	The MQA relies on companies to provide bursars with practical training. There is a need to find ways to add management competencies to complement technical qualifications of HDSAs.	Over **1 500** learners should benefit from the Bursary Scheme by March 2010. Quarterly reports on the Scheme accepted by the Board and Department of Labour.	During the 2008-2009 period, **739** HET and FET bursars participated in the MQA Bursary Scheme. A total of **130** students successfully completed studies within the bursary programme in the 2008-2009 financial year. Altogether **377** students underwent practical training with various mining companies. In January 2009, a further **171** students were placed to do practical training with **16** companies. A total of **548** students were placed to gain workplace experiential training. During the 2008-2009 financial year an overall total of **1 287** students received assistance bursaries and practical training.
8.	**Employment Equity (Women)** Companies agree to establish plans for the target of 10% women participation in Mining within 5 years.	Give priority to women in MQA-sponsored programmes. Link women initiatives to the MQA SMME Support Strategy and related Department of Minerals and Energy (DME) activities. MQA to conduct research on women in mining.	The identification of the target population for promoting mining amongst women is a challenge. Expectations created by the Charter and awareness workshops on the Charter should be managed.	Reports on women representation in MQA programmes accepted by the Board. Research on women in mining is on the MQA Research Agenda. This has been approved by the Board. Research partners have been appointed to conduct this research.	To increase the participation and entry of women into the sector during 2008-2009, women involved in the sector were targeted, with **194** learners receiving small-scale mining technical training in all nine provinces. Of the total of **14 508** learners that received support from the MQA, **7 834** were women.

	CHARTER OBJECTIVES	THE MQA PLANS TO	POTENTIAL CHALLENGES	MQA SUCCESS INDICATORS	PROGRESS REPORT FOR THE PERIOD 2008-2009
9.	**Entrepreneurial Training** Through its associated institutions, the government shall provide training courses in mining entrepreneurs' skills.	Extend the period of the Executive Preparatory Programme (EPP) to run until 2010 catering for over **300** participants Roll out the SMME support strategy of the MQA in order to assist new entrants. The New Venture Creation Project, develop in support of the National Skills Development Strategy (NSDS II) targets, seeks to provide management-related business training to historically disadvantaged individuals who have just established or want to establish their own mining-related enterprises.	Tracking of EPP trainees should be conducted.	A total of **324** participants should have benefited from EPP by February 2010. Biannual reports on the EPP programme are accepted by the Board. Quarterly reports on the implementation of the SMME support strategy accepted by the Board and Department of Labour. Analysis Report needed	No target was set for 2008-2009. The EPP is in the process of being revised. A total of **149** learners in three Provinces, i.e. the Free State, KwaZulu-Natal and Mpumalanga, were trained and mentored on New Venture Creation by three Services SETA accredited training providers.
10.	**Mentoring of empowerment groups** Companies should develop systems to mentor empowerment groups.	BEE mentoring activities can be linked to other initiatives.	DME to communicate this provision of the Charter to BEEs and companies.	A target of **26** was set to increase a number of small BEE firms and BEE co-operatives supported by skills development.	A total of **130** SME firms participated in the survey commissioned by the MQA in Gauteng and Limpopo to identify skills needs in their businesses. The SME firms were subsequently trained in accordance with the outcomes of the skills needs identified.
11.	**Exchange opportunities for HDSAs** In its bilaterals with other countries, the government will secure opportunities for training and exchange for HDSA companies' staff.	The Board to adopt a process to support HDSA exchange within the mandate of the Skills Development Act and in compliance with the PFMA.	A Board policy is required within PFMA and the MQA area of jurisdiction. DME to communicate opportunities that may be available to the HDSAs.	The MQA Board should adopt a policy position on exchange programmes.	No targets were set for this during the 2008-2009 financial year. However the Board approved a SADC cooperation strategy. An MoU was signed between the MQA and the Botswana Training Authority (BOTA) of Botswana. Cooperation has been implemented through ongoing workshops to develop expertise.

	CHARTER OBJECTIVES	THE MQA PLANS TO	POTENTIAL CHALLENGES	MQA SUCCESS INDICATORS	PROGRESS REPORT FOR THE PERIOD 2008-2009
12.	**Beneficiation** Companies should get involved in beneficiation activities beyond mining and processing, to include production of final consumer goods.	The Board to consider support of initiatives by the Jewellery Council and the DME towards the promotion of beneficiation.	Most companies in the jewellery industry are SMEs and find it difficult to participate in the skills strategy. The MQA is contracting SDFs to assist them.	About **720** learners to complete training in Rural Jewellery Manufacturing by March 2010.	A total of **210** learners were trained on mineral beneficiation in the Northern Province and North West.
13.	**Mine Community and rural development** Companies should co-operate in the formulation and implementation of IDPs for communities where mining takes place and for major labour-sending areas, with special emphasis on development of infrastructure.	Allocate R10 million from NSF funds to **10** District Municipalities and manage the implementation of projects. Facilitate the partnerships with industry. Phase out the MQA role in ex-mineworker training. Transfer coordination role to development agencies, mines and DME.	MQA's capacity to manage the dynamics of this environment.	It is envisaged that **2 331** ex-miner proxies and community members will be participating in projects by March 2010. The Board and the Department of Labour accept quarterly reports on the Social and Labour Plan support. The Board accepts the strategy and reports for the MQA to phase out its role in the Social and Labour Plan.	In the Eastern Cape, **100** learners were trained in jewellery manufacturing. Ongoing engagement is in progress with DME to align the skills and levy plans with the MQA, WSP and ATR processes.
14.	**Procurement** Stakeholders undertake to give HDSAs preferred supplier status in the procurement of capital goods, services and consumables.	Appoint a Procurement Specialist and maintain a proper supplier database that clearly shows HDSA participation. Identify the current levels of MQA procurement from HDSAs and adopt procurement targets.	The move to a representative supplier profile will require commitment and active management.	A Procurement Specialist had been appointed by April 2004. Board to adopt HDSA procurement targets in 2004. Levels of HDSA procurement reported to Board by August 2004. An HDSA supplier database had been compiled by June 2004.	The Finance Unit had appointed a Procurement Specialist by April 2004. The Board adopted HDSA procurement targets in 2004. An HDSA supplier database, compiled in June 2004, is being updated annually. Annual reports are submitted to the Board.

Section 4:
Institutional Arrangements

4.1 Skills Development and Research

Meryl Plasket

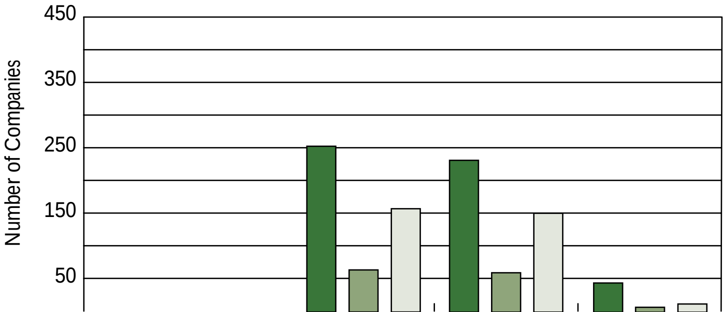
The objective of the Skills Development and Research Unit is to facilitate skills development research (including the analysis of scarce and critical skills), skills planning and reporting, development and updating of the Sector Skills Plan (SSP), approval of Workplace Skills Plans (WSP) and Annual Training Reports (ATR) for mandatory grants and the implementation of National Skills Development Strategy targets, and to report progress in these areas.

Workplace Skills Plans and Annual Training Reports

The participation of organisations in the sector in the levy-grant system has steadily increased, with a total of 450 organisations submitting their Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) in the 2008-2009 financial year. The table below gives an indication of total submissions and approvals across all organisational sizes.

In an effort to assist small organisations in particular with the submission and approval of their WSPs and ATRs, the MQA appointed 7 Independent Skills Development Facilitators (ISDFs). This intervention led to the receipt of 127 submissions from ISDFs. The challenge remains to increase the participation of organisations, particularly small organisations, in the levy-grant system in the sector.

Total number of WSP-ATR submissions and approvals by organisation size



Organisation size	Submissions	Approval	Non-approval
Small (0-49)	255	210	45
Medium (50-149)	69	57	12
Large (150+)	167	150	17
Total	**491**	**417**	**74**

Skills Development Facilitator Capacity Building

Attendance at SDF Workshops: March 2009

Province	No. of attendees
Gauteng, Johannesburg	134
KwaZulu-Natal, Richards Bay	6
North West, Rustenburg	94
Western Cape, Cape Town	14
Northern Cape, Kimberley	25
Mpumalanga, Emalahleni	105
Limpopo, Polokwane	31
Free State	59
Total	**468**

The MQA embarked on a process of building the capacity of Skills Development Facilitators and Sector Specialists in the sector. Workshops on the WSP-ATR 2008-2009 format and guidelines and Scarce and Critical Skills guidelines were conducted across all nine provinces in March 2009. These workshops were attended by 468 SDFs, Sector Specialists and Skills Committee members.

OFO Workshops

In November 2008, the Skills Development and Research Unit (SRDU) conducted a series of workshops aimed at developing the capacity of Skills Development Facilitators (SDFs) and Human Resource Practitioners within the sector. These workshops were based on the Organising Framework for Occupations (OFO), a skills-based coded classification system of occupations. The OFO provides a common language for occupations and can provide a useful basis for determining skills requirements.

It is against this background that workshops were conducted across six provinces:

Province	Total attendees
Limpopo	18
Free State	25
Gauteng	97
North West	40
Mpumalanga	45
Northern Cape	31
Total	**256**

A total of 256 participants attended the workshops. Generally the feedback on the workshops from participants was very positive. Concerns raised related to the enormity of the OFO alignment exercise and the need for the current MMS OFO list to be more comprehensive.

Skills Audit Colloquium

Effective, well-targeted skills development interventions supporting organisational objectives require good skills planning. A skills audit process can support good skills planning by determining what skills the organisation requires and what skills each employee has, analysing the results and determining skills development needs.

The Mining Charter stipulates that 'Stakeholders should formulate a comprehensive skills development strategy to include a skills audit.' Numerous companies within the sector have completed, or are planning to conduct skills audits in order to identify the skills that the organisation requires, as well as the skills it currently has. Experience within and beyond the sector has shown that there are various ways to conduct a skills audit, and that the real benefits of skills audits to organisations are numerous.

The OFO provides a common language for occupations and can provide a useful basis for determining skills requirements, which is a key component of any skills audit process.

The MQA Skills Audit Colloquium aimed to provide an opportunity for stakeholders, including Skills Development Facilitators, HR Practitioners and Skills Development Committee members, to share their experiences and views of skills audits and to reflect on good practice in skills auditing. Furthermore, other sectors in which skills audits are well underway were invited to share their challenges and lessons learnt.

The MQA Skills Audit Colloquium, held on 4 December 2008, was attended by 95 delegates from various companies throughout the sector.

Scarce and Critical Skills

The Department of Labour requires that all SETAs must identify the scarce and critical skills needs within their respective sectors. From the analysis of the WSP-ATRs submitted, a list of Scarce and Critical Skills emerged from the sector.

Despite the shortcomings in the identification of scarce and critical skills, it appears as if the sector is only training for its own skills needs. The increase in the number of bursaries and the numbers of learners on learnerships and skills programmes planned for the 2009-2010 year will address some of the scarce and critical skills needs of the sector.

In respect of scarce skills within the sector, Work Skills Plans and Sector Skills Plan research in NSDS II has reflected constant scarcity in particular occupations. The MQA scarce skills list is presented below.

MQA Scarce Skills List 2008-2009		
Occupation code	Occupation	Total number required
	MANAGERS	393
111101	Chief Executive Officer/Managing Director	0
131102	Sales and Marketing Manager	3
132201	Financial Manager	16
132301	Personnel/Human Resources Manager	4
132501	Research and Development Manager	9
133201	Engineering Manager	46
133202	Engineering Maintenance Manager	2
133503	Production/Operations Manager (Mining)	284
133504	Operations manager	18
133601	Supply and Distribution Manager	3
139902	Environmental Manager	8
	PROFESSIONALS	1 515
221101	Accountant (General)	42
221102	Management Accountant	18
221204	Internal Auditor	1
223101	Human Resources Advisor	21
223102	Recruitment Consultant/Officer	2
223301	Training and Development Professional	41
224103	Statistician	2
224301	Economist	18
224502	Valuer	5
224701	Management Consultant	3
224703	Skills Development Facilitator	9
224902	Liaison Officer	1
225103	Market Practitioner	5
231101	Aeroplane Pilot	1
232202	Surveyor	137
232303	Jewellery Designer	7
233101	Chemical Engineer	50
233102	Chemical Engineering Technologist	11
233105	Metallurgical Engineer	31
233201	Civil Engineer	60
233202	Civil Engineering Technologist	4
233301	Electrical Engineer	152
233302	Electrical Engineering Technologist	18
233402	Electronics and Telecommunications Engineering Technologist	6
233501	Industrial Engineer	8
233502	Mechanical Engineer	177
233504	Industrial Engineering Technologist	2
233505	Mechanical Engineering Technologist	17
233601	Mining Engineer (excluding Petroleum)	197
233603	Mining Engineering Technologist	40
234201	Chemist	34

234302	Environmental Consultant	7
234401	Geologist	245
234402	Geophysicist	14
234902	Metallurgist	63
251301	Environmental Health Officer	28
251302	Occupational Health and Safety Advisor	22
251901	Health Promotion Officer	11
261102	Systems Analyst	1
262103	Systems Administrator	2
263102	Network Administrator	2
	TECHNICIANS AND TRADES WORKERS	**3 259**
311901	Earth and Atmospheric Science Technician	9
311903	Environmental Science Technician	5
312101	Architectural Draftsperson	8
312106	Surveying or Cartographic Technician	6
312201	Civil Engineering Draftsperson	28
312301	Electrical Engineering Technician	141
312302	Electrical Engineering Draftsperson	19
312501	Mechanical Engineering Draftsperson	54
312502	Mechanical Engineering Technician	79
312601	Safety Inspector	21
312901	Maintenance Planner	28
312903	Mining Technician	432
313103	Web Administrator	5
321202	Diesel Motor Mechanic	509
322201	Sheet Metal Trades Worker	52
322301	Metal Fabricator	30
322303	Welder	179
323201	Fitter (general)	380
323202	Fitter and Turner	185
323501	Millwright	381
331101	Bricklayer	1
331201	Carpenter and Joiner	1
334101	Plumber	12
341101	Electrician (General)	613
342101	Air-conditioning and Refrigeration Mechanic	1
342303	Electronic Equipment Trades Worker	12
399401	Jeweller	68

	MACHINERY OPERATORS AND DRIVERS	2 437
711104	Stone-processing Machine Operator	125
712101	Crane, Hoist or Lift Operator	69
712201	Driller	1 029
712202	Miner	345
712203	Shot Firer	2
712901	Boiler or Engine Operator	14
712903	Cement Production Plant Operator	1
712910	Weighbridge Operator	3
721201	Earthmoving Plant Operator (General)	265
721203	Bulldozer Operator	61
721204	Excavator Operator	146
721206	Loader Operator	283
721909	Dredge Operator	6
731301	Train Driver	8
733101	Truck Driver (General)	80
	ELEMENTARY WORKERS	**354**
821103	Earthmoving Worker	50
821701	Construction Rigger	50
821902	Driller's Assistant	163
821904	Mining Support Worker	90
899301	Handyperson	1

The MQA and companies within the sector have been participating in a number of initiatives to address scarce and critical skills including bursaries, learnerships, apprenticeships, ABET programmes, qualifications development, and quality assurance of assessment and training provision to support skills development. Further information is available in the MQA Scarce and Critical Skills Guide, including the Support Strategy that can be accessed through the MQA website.

4.2 Standards Generation

Valaine Nel

The objective of the Standards Setting Unit is to ensure that the sector has an acceptable Qualifications Framework, and that the relevant qualifications, skills programmes and unit standards are developed and registered on the National Qualifications Framework (NQF). Using the services of Technical Reference Groups (TRGs), qualifications and associated unit standards, learnerships and skills programmes are developed, registered and learning materials validated.

During this financial year the Mining and Minerals SGB (M&M SGB) has contributed to the development of 27 new qualifications and associated unit standards, which have been registered on the NQF for utilisation by the sector:

Qualifications and Associated Unit Standards

	NAME OF QUALIFICATION	NQF LEVEL	NLRD NO.	WHEN REGISTERED
1	NC: Strata Control Operations	3	60369	9 April 2008
2	NC: Mining Technical Support	2	60349	9 April 2008
3	NC: Mechanical Handling (Rigging)	2	59729	11 June 2008
4	NC: Mechanical Handling (Rigging)	3	59730	11 June 2008
5	FETC: Mechanical Handling (Rigging)	4	59731	11 June 2008
6	NC: Mechanical Engineering	2	59689	25 June 2008
7	NC: Mechanical Engineering: Fitting	3	59669	25 June 2008
8	FETC: Mechanical Engineering: Fitting	4	59709	25 June 2008
9	FETC: Strata Control Operations	4	62796	20 August 2008
10	NC: Engineering 120 Credits	5	60110	20 August 2008
11	NC: Engineering 120 Credits	6	60071	20 August 2008
12	NC: Certificated Engineering - 120 Credits	7	63450	22 October 2008
13	NC: Metals Production	2	64189	26 November 2008
14	NC: Metals Production	3	64190	26 November 2008
15	FETC: Metals Production	4	64209	26 November 2008
16	FETC: Diamond Design and Evaluation	4	64249	26 November 2008
17	General Education and Training Certificate: Adult Basic Education and Training	1	64309	26 November 2008
18	NC: Small Scale Mining	2	64909	18 February 2009
19	NC: Electrical Engineering	2	63789	18 February 2009
20	NC: Electrical Engineering	3	63790	18 February 2009
21	FETC: Electrical Engineering	4	63889	18 February 2009
22	NC: Automotive Repair and Maintenance	2	64810	18 February 2009
23	NC: Automotive Repair and Maintenance	3	64809	18 February 2009
24	FETC: Automotive Repair and Maintenance	4	64849	18 February 2009
25	ND: Automotive Repair and Maintenance	5	64789	18 February 2009
26	NC: Jewellery Manufacturing	2	65049	12 March 2009
27	NC: Mining Technical Support	3	65549	12 March 2009

*NC = National Certificate *FETC = Further Education and Training Certificate *NLRD = National Learner Record Database

The SGB has also been reviewing qualifications that have reached and/or are approaching their expiry dates. The following nine existing qualifications and associated unit standards have been reviewed and/or incorporated into new qualifications, and these new or reviewed qualifications were registered on the NQF.

	NAME OF REVIEWED QUALIFICATION	NAME OF REGISTERED REVIEWED QUALIFICATION	NLRD NO.	WHENREGISTERED
1	NC: Lump Ore Beneficiation – Level 3	NC: Mineral Processing – Level 3	62769	20 August 2008
2	NC: Mineral Processing, Gold Extraction – Level 3			
3	NC: Rockbreaking: Quarrying – Level 3	NC: Rockbreaking: Surface Excavations – Level 3	62869	17 September 2008
4	NC: Surface Mining Rockbreaking – Level 2			
5	NC: Occupational Safety, Hygiene and Environment – Level 3	NC: Occupation Health, Safety and Environment – Level 2	64149	26 November 2008
6	NC: Diamond Processing: Polisher - Brillianteer – Level 3	FETC: Diamond Processing – Level 4	64729	18 February 2009
7	FETC: Diamond Processing: Polisher - Crossworker – Level 4			
8	FETC: Lump Ore Beneficiation – Level 4	FETC: Minerals Processing – Level 4	64889	18 February 2009
9	NC: Jewellery Manufacture in a Mass Production Environment - Level 3	NC: Jewellery Manufacturing – Level 3	65209	12 March 2009

*NC = National Certificate

*FETC = Further Education and Training Certificate

In addition, a further six qualifications, listed below, and their associated Unit Standards were processed by the South African Qualifications Authority Consultative Panel (an internal SAQA quality assurance process) and should be registered during the next financial year.

	NAME OF QUALIFICATION	NQF LEVEL
1	NC: Measurement, Control and Instrumentation	2
2	NC: Measurement, Control and Instrumentation	3
3	FETC: Measurement, Control and Instrumentation	4
4	NC: Lifting Machine Operations	3
5	NC: Chemical Operations	3
6	National First Degree: Bachelor of Engineering	7

The following 30 learnerships were developed:

	QUALIFICATION	NQF LEVEL	NAME OF LEARNERSHIP
1	Mineral Processing	3	Base Metals
2			Gold
3			Lump Ore
4			Platinum
5			Uranium
6			Mineral Sands
7	NC: Diamond Processing	3	Brillianteering
8			Fancy Stone Making
9			Crossworking
10			Bruting
11			Parting by Sawing
12	NC: Rockbreaking: Surface Excavations	3	Surface Excavations
13			Dimension Stone
14	NC: Strata Control Operations	3	Underground Hardrock Mining
15			Underground Coal Mining
16			Surface Mining
17			Massive Mining
18	NC: Metals Production	2	Metals Production
19	NC: Metals Production	3	Metals Production
20	FETC: Metals Production	4	Metals Production
21	NC: Mining Technical Support	2	Mining Technical Support: Surveying
22			Mining Technical Support: Sampling
23			Mining Technical Support: Geology
24	FETC: Diamond Design and Evaluation	4	Rough Evaluation
25			Basic Marking Design
26			Grading Polished Diamonds
27			Inspection
28	NC: Electrical Engineering	2	Electrical Engineering
29	NC: Electrical Engineering	3	Electrical Engineering
30	FETC: Electrical Engineering	4	Electrical Engineering

The following 10 Skills Programmes were developed.

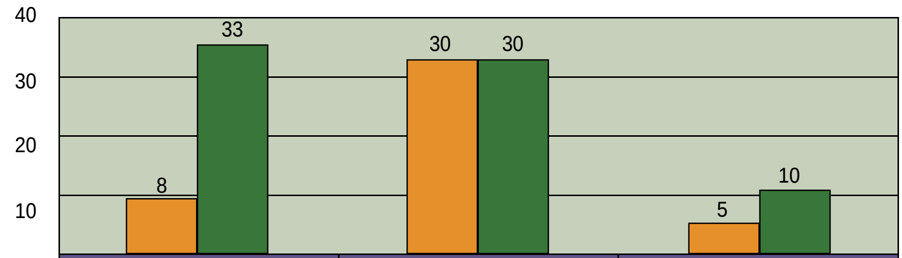
	NAME OF SKILLS PROGRAMME
1	Blasting Assistant: Surface Excavations (Revised)
2	Comp A: Surface Excavations (Revised)
3	Comp B: Surface Excavations (Revised)
4	The control of explosive magazines on surface mines and quarries (Revised)
5	Conduct Occupational Health and Safety Representation activities (Revised)
6	Adsorption of Gold into Activated Carbon (Revised)
7	Electro-winning
8	Gold Elution and Carbon Regeneration
9	Relining of a mill
10	Water Reticulation in a processing plant

A total of 110 learning material packs were ratified by the TRGs.

The M&M SGB also reached an agreement with SAQA around the extension of the 'last date for learner enrolment' on the nine interim Whole Engineering Trade Qualifications. The last date for learner enrolment has been extended for a further 18 months (until 31 July 2010).

Two equivalency analyses were conducted. The Winding Engine Driver and the analysis for Mine Environmental Control were finalised.

Registration of qualifications, development of skills programmes and learnerships against targets



	Qualifications	Learnerships	Skills programmes
Targets	8	30	5
Actuals	33	30	10

Furthermore, standards setting grants to the amount of R 1 712 116 were paid out to small organisations that released their employees to participate in standards setting activities.

The Standards Setting Unit also took over the following two projects from the National Skills Fund Project. These projects will continue in the new financial year.

Jewellery and Diamond Beneficiation Projects

The two projects are aimed at effectively adding to the current MQA initiatives in support of Mineral Beneficiation in South Africa.

MQA CEO Livhu Nengovhela and JCSA CEO Lourens Maré signing the Jewellery MoU.

The Jewellery Project is implemented with the close collaboration of the Jewellery Council of South Africa (JCSA). The project was officially launched at the annual Jewellex Exhibition in the Sandton Convention Centre. On this occasion, the MoU was signed between the MQA and the JCSA. The project has concluded the assessment

The challenges in the diamond industry have created considerable delays in the implementation of the diamond industry beneficiation initiative. The MQA also worked closely with the Diamond Council in this project. An MoU was signed between the parties on 31 October 2008 during the annual consultative conference of the MQA.

Diamond Council CEO Braen Migogo and MQA CEO Livhu Nengovhela signing the Diamond MoU.

Both projects were handed over to the SGB Unit during the course of the financial year.

Achievements on the Jewellery Industry Support Project

A Memorandum of Understanding (MoU) was signed in August 2008 between the two parties. As part of the primary aim of the MoU, the following had been achieved by the end of the financial year:

- Assessment of the competency levels and qualifications of facilitators at Accredited Jewellery Training Provider sites were conducted nationally.
- Training provider companies conducted Assessor Training Courses for eight assessors.
- Workshops were convened with providers for capacity building and preparation for participation in the project.
- Employer information sessions on regulations and skills development issues were held in four provinces.
- A Train the Trainer workshop was conducted for 31 lecturers.

Achievements on the Diamond Industry Support Project

In terms of the primary aims of this MoU, the following was achieved:

- A survey of industry training needs was conducted.
- Broad industry workshops were convened in order to confirm the deliverables of the project, develop an industry survival strategy in the light of the decline of diamond prices crisis, etc.
- Work on required skill programmes for the industry was done.

The Standards Setting Unit started the rollout of the following project:

Occupational Health and Safety Project

The objective of the project is to train 40 000 OHS Representatives over five years as required by Mine Health and Safety Tripartite Leadership Summit Agreement signed on 5 September 2008.

Despite delays in the implementation of the OHS project, in terms of the objective, the following was achieved:

- The Skills Programme: Conduct Occupational Health and Safety Representative activities in the Mining and Minerals Sector was revised.
- Six service-level agreements were entered into with MQA accredited training providers.
- Thirty learners were trained. The project strarted late in the financial year, hence the low number of learners trained.

This project will be handed over to the Learning Programmes Unit in the new financial year. The roll out of this project will be expected in the new financial year.

4.3 Learning Programmes

Thapelo Madibeng

Overview

Learning Programmes at the MQA include Adult Basic Education and Training (ABET), apprenticeships, learnerships, skills programmes and internships.

The objective of the Learning Programmes Operations Unit is to facilitate and support the delivery of learning within the sector by providing discretionary grants to MQA qualifying companies; administer and manage the above learning programmes and conduct learner verification of the learners registered on the MQA learning programmes.

Through this Unit, employed and unemployed learners are enrolled by MQA accredited skills development providers on a range of scarce and/or critical artisan and non-artisan learning programmes approved by the MQA. To date, the MQA has registered a total of 64 skills programmes and a total of 86 learnerships with the Department of Labour.

The MQA supports the objective of a competent health and safety workforce within the mining and minerals sector. To this end, the Learning Programmes Unit administers and manages a grant incentive based Occupational Health and Safety (OHS) Skills Programme for the training of safety representatives and shop stewards employed within the sector.

The Learning Programmes Unit performs additional functions such as the certificate printing and dispatching of certificates for learners declared competent on the MQA learning programmes. Certificate verification services are performed at a service fee for the mining and minerals sector related qualifications obtained through the MQA accredited skills development providers and for the trades or apprenticeships certificates obtained through the phased out Mining Industry Engineering and Training Board. All these certificate functions will be transferred to the MQA ETQA Unit in the year 2009-2010.

In addition to the functions above, the Learning Programmes Unit processes the learnerships and skills programmes for approval and registration and manages the processes for the development of the learning materials against the registered learning programmes. To date the MQA has developed over 900 learning packs against the registered learnerships and skills programmes. These two functions will be transferred to the Standards Generating Unit of the MQA. In the year 2009-2010, the process flow for the Learning Programmes Unit's functions will begin with the uptake and registration of learners on the MQA learning programmes.

The learner records for registration the and completion of MQA learning programmes are maintained on the learner management information system called MQA-I-Share.

Adult Basic Education and Training (ABET)

The majority (67%) of nearly 460 000 workers in the sector left school at grade 9 or lower. A substantial portion of workers (25%) have no formal schooling. The balance has a formal schooling in the General Education and Training (GET) Band. To this end, MQA stakeholders acknowledged the objectives of the Mining Charter and the NSDS and committed to align available resources to support these objectives. The Mining Charter requires that companies should offer every employee the opportunity to be functionally literate and numerate. The NSDS Indicator 2.7 requires that by 31 March 2010, 700 000 workers achieve at least ABET level 4. The five year target for the sector is 43 000 workers.

MQA Stakeholders signed an "ABET of Statement of Intent" on the 9 November 2006 as a commitment to the delivery of ABET to workers within the sector who are insufficiently equipped to participate in ABET level 4/NQF level 1 qualifications and access the occupational learning programmes in the Further Education and Training Band. This approach forms part of the ABET learning and career pathways within the sector for the learners.

The MQA board has approved a budget of R20 million for the period 2008-2009 to support the intake of employed and unemployed learners on ABET learning programmes at Levels 1 to 4. The MQA annual target for registration of ABET learners is 6 800 and the annual completion target of ABET learners is 4 000. A total of 115 mining and minerals sector companies applied for and were allocated ABET grants during the period 2008-2009. The following table represents the MQA achievements against the ABET targets for the 2008-2009 financial year:

	Programme	Target	Actual Achievement
ABET 1 – 4 Registrations	ABET 1	3 000	3 987
	ABET 2	2 000	3 736
	ABET 3	1 000	3 461
	ABET 4	800	1 051
Total 2008 – 2009 ABET learner Registrations			**12 235**
ABET 1 – 4 Completions	ABET 1	1 500	3 325
	ABET 2	1 000	5 336
	ABET 3	500	1 316
	ABET 4	400	355
Total 2008 – 2009 ABET Learner Completions			**10 332**

A total of 70 learners with disabilities are registered on the ABET learning programmes during the period. The figures in the above table clearly depicts that the MQA has exceeded the overall target for the registration and completion of ABET learners by over fifty percent (50%). Therefore, it can be deduced that the MQA gets good industry support on the ABET programmes.

The MQA board has approved the research agenda for ABET within the sector. The ABET research programme includes the impact assessment and review of progress made on MQA ABET programme in the NSDS II period, impact assessment tools and instruments to measure progress on ABET programmes on a continuous basis, innovation and best practices in the implementation of ABET programmes and the relevance of the ABET Statement of Intent.

The MQA celebrated International Literacy Day (ILD) on the 6 September 2008 to promote literacy within the sector. ILD coincided with the "Adult Learners Week" organised by the Department of Education. The processes for the restructuring of the national ABET landscape, policy issues on curriculum, teaching and learning processes as well as the ABET and skills development discourse were some of the thrust issues during the celebration. There are two documents which will guide the restructuring of ABET and those are the Department of Education report on the "State of Art of ABET in South Africa" released in July 2008 and the "Ministerial committee green paper on Adult Education and Training" released for comment by the ABET stakeholders. These two documents are available on the MQA website.

Artisan Learning Programmes

The MQA has registered 9 core artisan qualifications in the trades occupations such as Diesel Mechanic; Electrician; Fitter and Turner; Fitter including Machining; Instrument Mechanician; Millwright; Plater Boilermaker; Plater Welder; and Rigger Ropesman. The MQA has developed a range of artisan learning programmes against these qualifications.

The MQA artisan learning programmes currently include apprenticeships as regulated under the Manpower Training Act, 1981 and artisan learnerships programmes which are related to the MQA trades occupations. To this end, the MQA makes use of the apprenticeships contracts (for current Section 13 indentured learners) and/or learnerships agreements (for artisan learnerships programmes) to register artisan learners. Processes to repeal the Manpower Training Act are underway and it is anticipated that in the year 2009-2010 the learnerships agreement would be the one way of registering learners on artisan learning programmes. The MQA uses the Workplace Skills Plans\Annual Training Report processes to estimate the scarce and critical skills required within the sector. According to these processes; a total of 2 421 artisan learners are required in the sector. The MQA artisan scarce skills needs by occupation are depicted in the table below:

OFO Code	Occupation	Estimated Figures
321202	Diesel Motor Mechanic	509
322201	Sheet Metal Trades Worker	52
322301	Metal Fabricator	30
322303	Welder	179
323201	Fitter (general)	380
323202	Fitter and Turner	185
323501	Millwright	381
334101	Plumber	12
341101	Electrician (general)	613
342303	Electronic Equipment Trades Worker	12
399401	Jeweller	68
Grand total		**2 421**

The MQA has a total of 2 694 employed and unemployed artisans in training registered in the previous financial years. The breakdown of these artisan learners by province appears in the table below:

Province	Employed	Not employed	Grand Total
EC		7	7
FS	87	69	156
GP	249	408	657
MP	536	402	938
NC	27	295	322
NP	78	62	140
NW	141	221	362
UNKNOWN	1	14	15
WC	6	7	13
ZN	26	58	84
Grand total	**1 151**	**1 543**	**2 694**

In the year 2008-2009, the MQA registered a total of 1 470 artisan learners and their occupations are described in the table below:

Occupation Description	Total
Bricklayer (Skill Level 3)	29
Carpenter (Skill Level 3)	86
Construction Rigger (Skill Level 2)	20
Diesel Motor Vehicle Mechanic (Skill Level 3)	122
Electritian (General) (Skill Level 3)	380
Electronic Instrument Trades Worker (Skill Level 3)	69
Fitter and Turner (Skill Level 3)	386
Mechatronics Technician (Skill Level 3)	1
Millwright (Skill Level 3)	183
Plumber (General) (Skill Level 3)	13
Sheet Metal Trades Worker (Skill Level 3)	89
Welder / Welder (First Class) (Skill Level 3)	92
Grand total	**1 470**

The MQA accredited skills development providers use a learnership modular based learning programme as a delivery mode for the training of artisans. All artisan learners registered with the MQA are trained through apprenticeships or artisan learnerships programmes. All these learners undergo a final summative assessment in the form of trade test before they can be declared competent and certificated as artisans against an artisan learning programme associated with a registered trade qualification.

The current constraint in the artisans training pipeline within the sector is the phasing out of Nated Programmes (N1 to N3) or the trimester training at public FET colleges by the Department of Education. The sector still requires a relevant Nated qualification (underpinning trades' knowledge) for qualifying learners to access trade testing. To this end, the MQA has undertaken several artisans related initiatives to unblock this blockage. The development of Recognition of Prior Learning (RPL) artisan toolkit has been initiated as a pilot project for selected trades and with selected mining employers. The MQA board has also approved the recognition of technical matric for purposes of accessing trade testing until August 2009 by which this decision will be reviewed. Learning materials development process has been initiated to incorporate the missing nated trade theory knowledge components into the relevant MQA learning materials.

Non-Artisan Learning Programmes

NSDS Success Indicator, 2.8 – Learnerships			
	Target	Actual	
18.1 & 18.2 learners registered on MQA Learnerships			
Employed learners	1 000	1 492	
Unemployed learners	1 118	790	**Total: 2 282**
18.1 & 18.2 learners completed MQA learnerships			
Employed learners	500	1 059	
Unemployed learners	1 118	790	**Total: 1 849**

A total of 577 learners were registered without a grant during the financial year 2008-2009. This figure is lower as compared to the 755 learners registered in the period 2007-2008. The current global economic meltdown will impact negatively on company's training budgeting processes and in turn lower participation of employers on learning programmes. Therefore a large number of company applications for learnerships grant allocations is anticipated in the year 2009-2010.

Skills Programmes

The MQA Board has approved Occupational Health and Safety (OHS) Project to support the objective of a competent health and safety workforce. The OHS Representatives Development Skills Programme intends to train 40 000 OHS representatives through MQA accredited skills development providers over five years as required by the Mine Health and Safety Tripartite Leadership Summit Agreement signed on the 5 September 2008. The MQA will support a total of 10 000 safety representatives and shop stewards on an annual basis. The Learning Programmes Unit will implement this project in the year 2009-2010.

The annual MQA target for registered learners on skills programmes is 5 000 and for completed learners is 2 500. In the year 2008-2009, the MQA has registered a total of 8 130 and a total of 21 314 have completed the skills programmes in this financial year.

Internships

The MQA has successfully completed Project 1 of the Graduate Development Programme in the previous three years. The MQA board therefore approved a two year Graduate Development Programme (Project 2) from this year 2008-2009. The MQA has renamed this project to Internships. Internships provides a structured work experience to young unemployed graduates from FET or HET institutions to complement qualifications in the scarce and/or critical skills or disciplines required by the sector. The disciplines covered in the MQA Internship Project include Metallurgy, Mining Engineering, Mechanical Engineering, Industrial Engineering, Electrical (Heavy Current) Engineering; Geological Sciences, Environmental Sciences, Chemical Engineering and Jewellery Design and Manufacturing. The MQA has placed a total of 55 learners on various Internships during the year 2008-2009. A further intake of learners is planned for the year 2009-2010.

The learner records in all the above learning programmes is maintained in a learner management information system named MQA-I-Share.

4.4 National Skills Fund

Xolisa Njikelana

NSF 1 Project

The MQA has committed itself to contribute to the national drive to assist young unemployed people in obtaining artisan qualifications and entering into internships. This is part of the broad objectives of the national JIPSA initiative. To meet this end, the MQA Board approved a joint funding initiative with the National Skills Fund (NSF) of the DoL, which was aimed at training 69 unemployed graduates in Internships (MQA Graduate Development Programme) and 64 unemployed learners in artisan learnerships.

To date, 77 learners have been registered in the two-year internship project. See breakdown table below:

No.	Name of company	Initial number of candidates recruited	Number of candidates permanently absorbed/passed away/dismissed	Number of candidates currently in training
1	Xstrata	11	5	6
2	Goldfields	3	1	2
3	Harmony	21	5	16
4	Minopex	17	2	15
5	Modikwa	1	1	0
6	De Beers	5	0	5
7	LaFarge	10	2	8
8	Mintek	9	0	9
Total		77	16	61

After one learner at the Goldfields Business and Leadership Academy passed away and one was dismissed from Modikwa, a total of 14 learners are now been permanently employed by the host companies. This represents an 18% success rate to date with the project aimed at finishing next year.

A total of 62 learners were registered in learnerships, as depicted in the table below:

	Name of company	Initial number of candidates recruited	Number of candidates permanently absorbed	Number of candidates currently in training
1	Xstrata	30	14	16
2	Anglocoal	7	0	7
3	Palabora	11	0	11
4	Angloplatinum	14	2	12
Total		62	16	46

NSF 2 Project

The MQA has also applied for funding for a second joint project with the NSF for the training of 1 000 Artisan in line with the JIPSA priority skills list. The NSF has approved this project and the MQA is waiting for the signing of the Memorandum of Agreement between the two parties.

The recruitment of the learners and host companies has already commenced. In excess of 4 000 applications from prospective candidates has been received. Companies have shown little interest in hosting learners, and of those that have applied, only six qualified. Those six companies have commenced with the recruitment process whilst the MQA is awaiting further responses from companies.

4.5 Strategic Projects

Lulama Manyadu

The Projects Unit of the MQA was responsible for managing eight projects during the past financial year. namely:

- Employment equity in universities project
- Bursaries and Practical Training project
- New Venture Creation project
- BEE Firms, BEE Co-Ops, NLPE, NGos, CBos, CB Co-operatives Project
- Small-scale mining project
- Women in mining project
- Mineral Beneficiation project
- Ex-Miners support project

Employment Equity in Universities

This programme focused on assisting Mining and Minerals Departments of seven universities to achieve employment equity and transformation targets within their Mining Engineering and Mine Surveying departments.

The project specifically focused on developing and empowering historically disadvantaged South African lecturers in the Mining and Minerals Departments in the seven participating Universities, namely:

1 lecturer, UNISA

4 lecturers, WITS

2 lecturers University of Pretoria

3 lecturers University of Johannesburg

2 lecturers , University of Venda

2 lecturers, University of Fort Hare

1 lecturer, Rhodes University

During the period 2008 - 2009, a total number of 15 lecturers were appointed to lecture in the Mining, Geology and Mine Survey departments of the participating Universities.

Bursaries and Practical Training

This project in support of the Mining Charter and the National Skills Development Strategy (NSDS) is aimed at creating a pool of qualified graduates to pursue careers within the mining and mineral sector. Bursaries are paid out of the MQA surplus funds, and 739 (target 200) bursars from HET/FET Institutions entered in the MQA Bursary Scheme.

A total of 130 (target 100) students successfully completed studies in bursary programmes in the 2008-2009 financial year. During July to December 2008, 377 students were doing practical training with various mining companies. In January 2009 a further 171 students were placed with 16 mining companies to do practical training. A total of 548 (target 112) students were placed with various mining companies to gain workplace experiential training. During the 2008-2009 financial year a total of 1 287 students received assistance in the form of bursaries and practical training.

Bursaries and practical training for students

No.	Critical and scarce skills	Total 2008-2009 bursars	Studying 2008-2009	Practical 2008-2009
1	Analytical Chemistry	184	94	30
2	Chemical Engineering	118	59	59
3	Electrical Engineering	118	73	45
4	Electro-Mechanical Engineering	0	0	0
5	Engineering and Related Design	93	42	51
6	Environmental	52	36	16
7	Extraction Metallurgy	72	32	40
9	Geology	97	52	45
10	Industrial Engineering	0	0	0
11	Jewellery Design	30	30	0
12	Mechanical Engineering	120	33	40
13	Metallurgical Engineering	108	36	75
14	Mine Survey	126	76	50
15	Mining Engineering	273	176	97
	TOTAL	**1 287**	**739**	**548**

New Venture Creation

This programme was developed in support of the National Skills Development Strategy (NSDS II) targets and seeks to provide training related to business management to historically disadvantaged individuals who have just established or want to establish their own mining related enterprises. It empowers historically disadvantaged individuals with an interest in opening their own small enterprises that will benefit the mining and minerals sector.

Three Services SETA accredited training providers were appointed to train 149 (target 130) learners in three Provinces. (KwaZulu-Natal: Richards Bay and Newcastle; Free State: Welkom and Bloemfontein; and Mpumalanga: Witbank and Nelspruit). Appointed training providers were:

- Megro Learning,
- Mogale Solutions and
- ESS (Entrepreneur Survival Solutions).

A total of 149 (target 130) learners were trained and mentored on the New Venture programme in the three provinces. Following the training, these learners are now equipped with skills to successfully manage their own businesses.

BEE Firms, BEE co-ops, NLPE, NGOs, CBOs, CB co-operatives

This programme focused on annually increasing the number of small Black Economic Empowerment (BEE) firms and BEE co-operatives supported by skills development. Progress is measured by annual surveys conducted of BEE firms and BEE co-operatives within the sector.

A total of 130 (target 26) of SME firms participated in the survey commissioned by MQA in Gauteng and Limpopo to identify the skills needs in their businesses. These SME firms also received training based on the outcomes of the skills needs identification process.

Small-Scale Mining

The focus of this project is to train and build the capacity of small-scale miners in the Mining and Minerals Sector. This project relies on strong support from the Department of Minerals and Energy. A total of 300 learners in all nine provinces received technical training in small-scale mining. The training providers appointed to conduct the training were:

- Siyemba,
- Blue Nightingale, and
- Mintek.

Women in Mining

To increase the participation and entry of women into the mining and mineral sector, women involved in the mining industry will be targeted. These women will include the following:

- Community-based women who have an interest in mining
- Entrepreneurial women who are already active in the mining sector
- Women identified by the DME (Department of Minerals and Energy)
- South African Women in Mining members
- Women identified by organised Labour

A total of 194 learners in all nine provinces received technical training in small-scale mining. The appointed training providers to train the learners were:

- Siyemba,
- Blue Nightingale, and
- Mintek.

Mineral Beneficiation

The focus of this programme was to train informal and formal SME beneficiaries in Diamond Evaluation and Mineral Processing. Training involved mineral beneficiation from raw materials to the end product.

The objective is to assist SMEs in acquiring beneficiation skills in diamond evaluation, polishing and precious metals beneficiation.

Altogether 210 learners were trained in mineral beneficiation in Kimberley and the North West Province. Zurel Brothers conducted the training.

Ex-Miners

This programme focused on supporting the re-skilling of ex-mineworkers, proxies and community members. In Port Elizabeth, 100 learners were trained in jewellery manufacturing. The appointed training provider was the Port Elizabeth Further Education and Education (FET) College.

New Venture Creation Graduates

Projects and Grants for the 2008-2009 financial year

PROJECT	OBJECTIVE	APPROVED BUDGET	BENEFICIARIES	Responsible unit
University Employment Equity Project	To help the universities to achieve employment equity and transformation within their Mining and Mine Surveying Departments.	R5,6m	15 lecturers appointed.	Strategic Projects Unit
Bursary Project	To create a pool of graduates to pursue careers within the sector.	R15,1m	739 bursars assisted.	Strategic Projects Unit
Practical Training Project	To assist a pool of students to obtain practical training in order to qualify for their academic qualifications.	R22,4m	548 students assisted with practical training.	Strategic Projects Unit
New Venture Creation	To provide management-related business training to HDIs who have just established or want to establish their own mining-related enterprises.	R6,8m	149 learners were trained and mentored on the New Venture Creation Programme.	Strategic Projects Unit
PDA Standardised Assessment Guide Development	In support of the SAQA, a Performance Auditing Model was developed for ETQAs to create effective, efficient and economical avenues to maintain the integrity and quality of learning provision and assessment.	R300,000	Accredited Training Providers.	ETQA Unit
Assessor and Moderator Registration Grant	To support the registration of assessors and moderators in the Sector.	R600,000	Accredited Training Providers and Providers Working Towards Accreditation.	ETQA Unit
ISO Grant (1) and ISO Grant (2) Implementation Grant	To achieve uniformity in the industry by adopting the ISO 9001:2000 as the preferred standard.	R1,6m	Accredited Training Providers and Providers Working Towards Accreditation.	ETQA Unit
BEE FIRMS, BEE CO-OPS, NLPE, NGO's, CBO's, CB co-operatives project	This programme focuses on annually increasing the number of small BEE firms and BEE co-operatives supported by skills development. Progress is measured by way of annual surveys of BEE Firms and BEE Co-operatives within the sector.	R1m	130 SME firms participated in the survey commissioned by MQA in Gauteng and Limpopo to identify the skills needs in their businesses. SMEs were also trained in the required skills.	Strategic Projects Unit
National Skills Fund Project (1)	To provide on-the-job training to young unemployed persons in possession of degrees or diplomas from Universities of Technology who have qualified in the scarce skills disciplines within the sector.	R4,500,000	62 unemployed learners in the Plater Welder and Boiler-making, Fitting and Turning, and Fitting, including Machining learnerships. 48 unemployed learners were enrolled in learnerships to receive training in Plating Welder and Boiler-making, Fitting and Turning, and Machining. A total of 77 unemployed learners were placed in the MQA Graduate Development Programme, with 60 still in training.	NSF Unit
Learning Material Development grant	To provide funding to accredited training providers through the Chamber of Mines initiative for the development of learning materials for the Unit Standards, all qualifications that are regarded as core to the MQA.	R2,7m	Development of 110 Learning Materials packages required by the mining and minerals sector to enable learnerships and skills programme implementation.	SGB Unit
18.1 and 18.2 Learnership grant	To provide funding for the registration of 18.1 and 18.2 learners.	R72,7m	To train 1 118 employed and 1 118 unemployed learners in the core learnerships of the MQA.	Learning Programmes Unit

PROJECT	OBJECTIVE	APPROVED BUDGET	BENEFICIARIES	Responsible unit
Apprenticeship grants	To provide funding for the indenture of apprentices in apprenticeship programmes.	R2,8m	To train 54 apprentices indentured in the MQA designated trades.	Learning Programmes Unit
Standard-setting Project	To encourage employers to continue contributing to standard-setting activities.	R2m	The beneficiaries are the employers who release suitable subject-matter experts to participate in standard-setting activities.	SGB Unit
Unit Standards and Qualifications registration Project	To facilitate the design of qualifications and writing of unit standards for the National Qualifications Framework, development of learnerships, learning programmesand skills programmes, and editing and validation activities.	R500 000	Utilising the services of professional consultants to develop unit standards and qualifications for submission to SAQA, which will benefit the learners in the sector. In addition, this project will support the development of skills programmes, learning programmes and learnerships for registration at the DoL or the SETA. This may include related research, TRG, validation and editing activities.	SGB Unit
Graduate Development Programme (GDP)	To train and provide on-the-job experience to unemployed graduates from Universities and persons in possession of diplomas from Universities of Technology with qualifications in the scarce skills disciplines with the sector.	R7,8m	Young unemployed persons in possession of degrees end diplomas who have completed qualifications in the scarce skills disciplines identified in the MQA Sector Skills Plan. The required end result is for these graduates to obtain two years of structured and relevant industry experience to enable them to access full-time employment within the sector.	Learning Programmes Unit
ABET grants	To provide mining companies with an incentive to provide ABET training to their employees. To increase levels of literacy in the Sector. To provide an incentive for learners to attend and complete ABET training.	R20m	A total of 12 235 learners have entered ABET programmes. Breakdown per level: Level 4: 1 051 Level 3: 3 461 Level 2: 3 736 Level 1: 3 987 A total of 10 332 learners have completed ABET programmes. Breakdown per level: Level 4: 355 Level 3: 1 316 Level 2: 5 336 Level 1: 3 325	Learning Programmes Unit
National Skills funds (2)	This project is aimed at providing funding for the registration of 18.2 learners into selected Core Learnerships of the MQA.	R2,2m	The project will provide skills development support for 1 000 unemployed learners in selected core learnerships of the MQA.	NSF Unit
Small-scale Mining Technical Project	To train and build the capacity of small-scale miners which are SMME's.	R3m	A total of 300 learners will be trained in All nine provinces.	Strategic Projects Unit

PROJECT	OBJECTIVE	APPROVED BUDGET	BENEFICIARIES	Responsible unit
Mineral beneficiation	To train informal and formal SMME beneficiaries in Diamond Evaluation and Mineral Processing.	R3m	210 learners trained in two provinces.	Strategic Projects Unit

PROJECT	OBJECTIVE	APPROVED BUDGET	BENEFICIARIES	Responsible unit
Company MIS Support	To assist Accredited Training Provider staff working on the DataNet system by conducting regular training sessions to enable them to upload company information successfully.	R1m	To assist Accredited Training Provider staff working on the DataNet system by conducting regular training sessions to enable them to upload company information successfully.	Strategic Projects Unit
SDF support	To support Skills Development Facilitators (SDFs) in the sector through regular communication and capacity building.	R2,5m	7 ISDF assisted SMMEs in all nine provinces.	SDR Unit
Institution of Sectoral or Occupational Excellence (ISOE)	In line with National Skills Development Strategy (NSDS) 2005 - 2010, Objective 5: 'improving the quality and relevance of provision', indicator 5.1, SETAs are expected to recognise the Institute of Sectoral or Occupational Excellence (ISOE).	R600,000	Training providers and levy-paying organisations may apply for the grant.	ETQA Unit
RPL Assessment (NQF 1-4)	To develop and implement an RPL Assessment toolkit that will enable Accredited Providers to assess artisan type learners who wish to obtain an artisan qualification.	R500,000	Employed workers who wish to be tested in order to obtain an artisan qualification.	ETQA Unit
Upskilling of ETDPs to deliver fundamentals	The MQA recognised the need to upskill existing ETD practitioners to enable them to successfully deliver the fundamental component of MQA registered qualifications.	R1m	Current ETD practitioners who meet the ETQA Fundamentals Guideline requirements.	ETQA Unit
Certification verification	To improve on the efficiency and effectiveness of the learner verification processes.	R500,000	Learners in the mining and minerals sector.	ETQA Unit
Skills Development research and impact analysis	The need to undertake research and analysis including the existing 2005-2010 Sector Skills Plan as well as other research to enhance MQA's strategic decision-making capacity has increased.	R2,5m	Research activities in 2008-2009 included: • Scarce and critical skills; • Update of Sector Skills Plan; • Baseline study on BEE firms, BEE Co-operatives, non-levy- paying enterprises, NGOs, CBOs and community-based learnerships.	SDR Unit
Skills Audit Project	The Mining Charter requires of companies to conduct a skills audit. The MQA will support this by developing a suitable guideline and toolkit for this purpose.	R2m	95 SDF's and sector specialists attended a Skills Audit Colloquium to share experiences and explore good practices in skills auditing.	SDR Unit
Company Skills Development Support Committee	To support Company Skills Development Committees with the upskilling of their members to ensure that they are able to effectively execute their duties	R1m	Members and potential members of Company Skills Development Committees.	SDR Unit
Jewellery Industry Support Project	To, jointly with the Jewellery Council of South Africa, develop and implement suitable Jewellery Industry support skills projects.	R2,1m	The development of a training support infrastructure on a national level to support the Jewellery Industry. Provision of developmental projects and training for current lecturers . Increase understanding of skills development within the industry.	SGB Unit

PROJECT	OBJECTIVE	APPROVED BUDGET	BENEFICIARIES	Responsible unit
Diamond Industry Support	To, jointly with the Diamond Council of South Africa, develop and implement a suitable Diamond Beneficiation Support skills project.	R500,000	Diamond Industry employers and their employees, accredited training providers in the industry and unemployed or retrenched learners.	SGB Unit
OHS Rep. Training	To train 40 000 OHS Representatives over a period of five years as required by Mine Health and Safety Tripartite Leadership Summit agreement	R9,1m	In support of Mine Health and Safety Tripartite Leadership Summit Agreement to train 40 000 OHS representatives over 5 years.	SGB Unit
International literacy	To support the annual International Literacy Week by organising events and activities that will demonstrate the MQA's commitment to the eradication of illiteracy in South Africa.	R440,000	In support of the Mining Charter and NSDS 11 with respect to the increased take up of learners on ABET.	Learning Programmes Unit
Career information booklet	To inform learners about careers available in the mining and minerals sector.	R1m	The development of a career booklet and DVD to educate learners on mining related careers and to encourage them to pursue careers in this sector.	CS Unit
Women in mining	To increase the participation and entry of women into the mining and minerals sector.	R2m	194 learners in all nine provinces recieved training.	Strategic Projects Unit

4.6 Education Training and Quality Assurance (ETQA)

Jay Moodley

As an Education and Training Quality Assurer (ETQA) in terms of the South African Qualifications Authority Act (SAQA) of 1995, the MQA must ensure, inter alia, that the Sector has accredited providers that will maintain the quality of standards, qualifications and learning provision.

The primary functions of the MQA ETQA are to:

- Accredit and programme approve training providers for specific standards and qualifications;
- Quality assure learner achievements endorsed by registered assessors in accordance with required standards and criteria;
- Evaluate learning programmes;
- Improve the quality and relevance of education and training in the sector;
- Support provider development;
- Establish and maintain a database for the recording of learner achievements;
- Certification;
- Assessor and moderator registration.

The MQA's accreditation status as an ETQA has been extended to September 2011.

Training Providers accredited with the MQA

After 46 accreditation audits had been conducted, 16 providers received provisional accreditation, 14 full accreditation (listed in the table below) and 12 were re-accredited.

Training Provider Certificate Handover

PROVIDERS	PROVIDERS THAT RECEIVED FULL ACCREDITATION WITH THE MQA FOR THE 2008-2009 FINANCIAL YEAR
1	Ikhaya Fundisa Techniskills Academy
2	A & R Engineering
3	I – Campus / Ingwe
4	Mines Rescue Services
5	DeBeers Kimberly Mine TAU HRD Centre
6	Nokaneng Environmental Management Consulting
7	Intsika Skills Beneficiation
8	Fundisa Zonke Training Agency (Train the Nation)
9	Prisma Training Solutions
10	Pendula HRD CC (Mining)
11	Frany Jewellers /Glitterati
12	Barden Training and Computing Services
13	Mintek
14	Matla Colliery Mine

Four providers were either de-accredited or lost their accreditation status with the MQA for, amongst other reasons, allowing the accreditation to lapse.

Ten programme approval audits were conducted. Three of the providers retained their programme approval status and the three listed in the table below received programme approval in the course of the year.

PROVIDERS	PROVIDERS THAT RECEIVED PROGRAMME APPROVAL WITH THE MQA FOR THE 2008-2009 FINANCIAL YEAR
1	LSA School of Technology
2	Shukela Training Centre
3	Growth Link

Assessors and Moderators

During the financial year 567 Assessors and 143 Moderators were registered.

DISCRETIONARY GRANTS AND PROJECTS ADMINISTERED BY THE ETQA DEPARTMENT

ISO Grant

Providers were invited to apply for ISO grants at the beginning of the financial year. Of the 77 applications received, 11 were awarded grants. Reasons for the failure of the rest to qualify included:

- They do not pay levies to the MQA.
- They were not in the process of accreditation.
- They had received payments in the previous years.

Assessor and Moderator Grant

Of the 875 assessor registration grant applications received, 220 were approved.

The moderator registration grant applications received numbered 421, of which 25 were approved.

Institutions of Sectoral and Occupational Excellence (ISOE) Project

Ten institutions had been identified and assisted with their applications for recognition as ISOEs. Six were recognised as ISOEs in the course of the year.

Personal Digital Assistance (PDA) Project

The development of 150 PDA assessment guides was concluded. These will be included in the database.

Recognition of Prior Learning (RPL) Project

The MQA is supporting an RPL implementation strategy in the sector. The focus is on the development of appropriate tools for the Engineering artisan field, which will subsequently be rolled down to other occupational areas. The development of a RPL guideline document and toolkits has commenced.

Foundational Learning Competence (FLC) / Upskilling of ETDPS Project

The MQA was involved in a project initiated by the Department of Labour to pilot the delivery and assessment of foundational learning in the sector. This research will provide useful information regarding appropriate content, delivery, and assessment practices required for foundational learning. Two providers, namely Anglo Platinum and Goldfields Business and Leadership Academy, participated in this project in the course of which 53 learners were trained and assessed on the FLC.

In addition, trainers and facilitators were trained on delivering the FLC to learners. Of these, 15 participated in the Foundational Mathematics programme and 16 in the Foundational Communications programme.

Certification Processing Project

During the financial year, challenges were experienced with the processing of certificates for learners. Systems problems on both the old and new databases were the primary contributors to this problem. Various interventions have been introduced to eliminate this challenge.

Statements of attainment for skills programme completions have, to a large extent, been resolved. However, problems relating to the issuing of certificates for learners on the artisan routes and other qualifications still need to be resolved. In the next financial year this will be closely monitored.

Scope Extensions

Scope extensions for the following qualifications were granted to the MQA by SAQA:

NO.	NAME OF QUALIFICATION	NQF LEVEL	NLRD NO.
1	NC: Strata Control Operations	3	60369
2	NC: Mining Technical Support	2	60349
3	NC: Mechanical Handling (Rigging)	2	63485
4	NC: Mechanical Handling (Rigging)	3	63490
5	FETC: Mechanical Handling (Rigging)	4	63494
6	NC: Mechanical Engineering	2	63477
7	NC: Mechanical Engineering: Fitting	3	63471
8	FETC: Mechanical Engineering: Fitting	4	63481
9	FETC: Strata Control Operations	4	62796
10	NC: Mineral Processing	3	62769
11	NC: Engineering 120 credits	5	60110
12	NC: Engineering 120 credits	6	60071
13	NC: Rockbreaking: Surface Excavations	3	62869
14	NC: Metals Production	2	65190
15	NC: Metals Production	3	65192
16	FETC: Metals Production	4	65194
17	FETC: Diamond Design and Evaluation	4	64249

Furthermore, the MQA granted five scope extensions to providers who had been accredited and/or whose programmes had been approved. Six providers accredited by the MQA were assisted with programme approval applications with other ETQAs.

Quality Assurance of Learner Achievements (QALA)

Some of the objectives of the QALA are listed below:

- Verification of enrolled learners' PoEs
- Verifying that all the learners' achievements/credits have been uploaded on the MQA MIS database
- Verification of the providers' RPL, assessment instruments/tools against the Unit Standard(s) or Qualification being trained or assessed
- Verification of Assessors and Moderators (their registration with the MQA)
- Verification of the providers' RPL, assessment, moderation, appeals policies and procedures against MQA and SAQA's requirements, standards and guidelines

This process has commenced at provider sites. Thus far, 17 QALA audits have been conducted.

4.7 Corporate Services

Darion Barclay

The Corporate Services unit renders support services to MQA Management staff and stakeholders in the execution of our legislative mandate, which is to facilitate skills development in terms of the Skills Development Act of 1998. The highlights of the Corporate Services Unit for the year under review are reflected below.

Corporate Governance

During the year under review, the MQA continued to strive towards implementing sound corporate governance principles. The Board induction workshop, held on 6 June 2008, was aimed at capacitating stakeholders on the mandate, vision, mission and strategic objectives of the MQA.

In compliance with good corporate governance principles, the Board's self-assessment questionnaire was facilitated by OMA Chartered Accountants. All Board members annually declare their financial and business interests and accept their fiduciary duties in line with the Public Finance Management Act.

The Board strategic planning session took place on 1 - 3 October 2008 to develop a strategic position to overcome challenges facing the MQA currently and beyond 2010.

Stakeholder Capacity Building

Three very successful capacity-building workshops were held at the Elijah Barayi Memorial Training Centre.

(a) The first workshop, with the aim to capacitate Labour on completion and signing of Workplace Skills Plan and Annual Training Reports took place on 24 April 2008.

(b) The second capacity-building workshop took place on 18 and 19 November 2008. Its objective was to inform organised labour representatives on MQA structures and the operational functioning of the MQA, as well as on the National Skills Development Strategy (NSDS) targets, Learnerships and Skills Programmes, Unit Standards and registered qualifications, special projects such as Abet, MQA Bursaries and the MQA Strategy to support the Mining Charter.

(c) The objective of the third capacity building workshop, held on 10 and 11 February 2009, was twofold: firstly, to update organised labour on the changes in legislation brought about by the Skills Development Amendment Act and, secondly, to enable organised labour to nominate representatives on the MQA committee structures for the 2009/10 financial year.

To ensure continuous capacity building of all stakeholders, further capacity-building courses such as finance for non-financial managers, the role of a board in strategy formation and an overview of the King Report on corporate governance will be offered to board and committee members in the next financial year.

Human Resources

The year under review was challenging for the Human Resources unit with the increased vacancy rate as a result of the pending SETA landscape on the one hand and maintaining effective support to MQA line functions in pursuit of organisational objectives on the other hand.

The following areas below were notable achievements for the year ended on 31 March 2009:

Organisational Review

The MQA Board approved seven (7) new positions on 29 May 2008 following a review of the organisational structure. The aim was to increase efficiency at all levels within the organisation.

- Customer Services and Communications Manager
- Research Specialist
- Monitoring and Learner Achievement Specialist
- IT Officer
- Research Administrator
- Procurement Administrator
- Communications Administrator

The new positions bring the total organisational structure to seventy one (71) positions including ten (10) internships.

Staff Development

Staff development through training and the provision of study assistance was once again emphasised through various staff initiatives. This annual training and development programme includes generic and specific training and includes amongst others Microsoft Office, Finance for Non-Financial managers, Project Management, Industrial Relations and an Introduction to the Mining and Minerals Sector particularly mining legislation.

Salary Survey and Benchmarking

The review of salaries at all occupational categories is critical for staff retention and to ensure that salaries are benchmarked against other industries. A desk top review of all positions on the Patterson grading system was undertaken and it was found that 90% of positions are on the correct level. The challenge is that the MQA competes for staff with mining industry employers and to attract the best possible candidates, the salary expectation is almost 25% more than what is offered. As part of the Retention Strategy framework, monetary and non monetary rewards will be investigated to ensure retention of suitably qualified and experienced staff.

Succession Planning

A Succession Plan was considered by the MQA Board for MQA Executive Management and Management and adopted as a working document. The policy is benchmarked against organisations in both the private and public sectors and the revised policy should be approved by the Board in the forthcoming financial year.

Performance Management

The new performance management system is in its second anniversary and is progressing well. The performance of permanent employees is assessed on a bi-annual basis. The performance management system is also used to reward consistent performance and correct unsatisfactory performance through interactive one on one sessions and targeted training programmes where necessary.

Remuneration Packages as at 31 March 2009

	Male				Female					
Occupational category	A	C	I	W	A	C	I	W	Total	Total cost to company
General administration and support	1	0	0	0	4	0	0	0	5	R 93 518 – R124 896
Administrators	8	0	0	0	11	1	0	3	24	R135 355 – R224 167
Specialists	4	0	1	1	11	0	1	0	18	R242 575 – R325 763
Managers	3	0	0	0	1	1	1	1	7	R503 004 – R604 619
Senior Officials/Managers	0	1	1	1	0	0	0	0	3	R659 198 – R674 142
Executive Managers	1	0	0	0	0	0	0	0	1	R684 405 – R901 127

Resignations during the 2008/2009 financial year

	Male				Female				
Occupational category	A	C	I	W	A	C	I	W	Total
General administration and support	0	0	0	0	0	0	0	0	0
Administrators	3	0	0	0	4	1	0	1	9
Specialists	4	0	1	0	2	0	0	0	7
Managers	2	0	0	0	0	0	0	0	2
Senior Officials/Managers	0	0	0	0	0	0	0	0	0
Executive Managers	0	0	0	1	0	0	0	0	1
Total	**9**	**0**	**1**	**1**	**6**	**1**	**0**	**1**	**19**

Appointments during the 2008/2009 financial year

	Male				Female				
Occupational category	A	C	I	W	A	C	I	W	Total
General administration and support	0	0	0	0	0	0	0	0	0
Administrators	4	0	0	0	5	1	0	1	11
Specialists	5	1	0	0	3	0	0	0	9
Managers	1	0	0	0	0	1	0	1	3
Senior Officials/Managers	0	0	0	0	0	0	0	0	0
Executive Managers	0	0	0	1	0	0	0	0	1
Total	**10**	**1**	**0**	**1**	**8**	**2**	**0**	**2**	**24**

Office Management

The MQA maintained the ISO 9001:2008 accreditation from September 2005 by conducting workshops for staff members and regular Internal/External Audits. The MQA maintained its office accreditation status on 2 September 2008 and has been re-certified for a further three years. The External Audit was conducted by Alpha Certification and only minor observations and recommendations were noted.

The MQA has also implemented an Occupational Health and Safety Policy in terms of section 7 [3] of the Occupational Health and Safety Act, 1993. OHS Representatives have been nominated and have undergone training. An evacuation drill exercise was conducted on 31 March 2009.

4.8 Customer Service and Communication

Merle Clark

The MQA's Customer Service and Communication Unit has achieved notable strides during the 2008/9 financial year. Through its various interventions, it has promoted skills development to encourage the participation of stakeholders in the mining and minerals sector. As a support function to the MQA's core units, its key aim is to promote the activities of the MQA units to its stakeholders and to ensure that relevant messages are conveyed and understood by the sector.

The year under review also saw the implementation of a comprehensive five-year Communications Strategy (2006 – 2010). This strategy took on a broader approach to ensure that the MQA could successfully meet and exceed the expectations of stakeholders without losing its focus on the legislative mandate, vision, mission and identified strategic focus areas of the Board.

Based on the five-year Communication Strategy and the MQA Business Plan, an operational plan was developed to ensure increased focus on areas relevant to the organisation's activities. The review was also necessary to ensure that activities remain in line with the available budget. This structured approach seems to have paid off as the communication function focused its efforts on ensuring structured, targeted, managed and planned communications interventions.

In its endeavour to bring its skills development related products and services to people from all demographics, the MQA embarked on a number of media and public relations activities to inform, educate, create awareness and credibility, and enhance the organisations image and position within the sector.

Promotion of the MQA

During the year, the MQA promoted its activities by using a range of printed and electronic media, including the annual report, newsletters, brochures, newspaper and magazine articles, MQA Corporate video and the website. The aim in the next financial year is to increase awareness of its efforts further by adding a radio and television campaign.

Publications and Brochures

In the past year, the 2007/8 annual report was produced and timeously submitted to the Auditor-General and tabled in Parliament. The quarterly newsletters were published and distributed to inform stakeholders on events taking place within the sector. Unit-based information brochures and leaflets were also published and distributed to educate stakeholders and improve their understanding of the MQA's role and of the services and products available to them. A Career Booklet and DVD were developed and designed to assist learners to source information on the various career options available in the mining and minerals sector to further encourage learners to pursue careers in this sector.

National Newspapers and Publications

The media were used to publicise the MQA's activities, achievements, projects and grants that have an impact on the sector through a range of targeted articles and advertisements. Over 20 articles were published during the year and more than 30 advertisements were placed in various national newspapers and magazines to inform stakeholders and the general public on issues that are of interest to them. Magazines such as the Umsobomvu Youth magazine, SAWIMA Quarterly, Youth for Life Magazine, Achiever, CEO Magazine, Mining Weekly and Mining News were used to enhance communication efforts in the sector.

Events, Roadshows and Exhibitions

More than 50 events, roadshows and exhibitions were successfully organised and concluded during the year under review.

Some of the major events include:

- The national roadshows held in Rustenburg, Polokwane, Witbank, Welkom, Namaqualand, Kimberly, East London, Cape Town, Durban and Johannesburg during February 2008. The focus was on informing the sector on the various projects undertaken by the MQA, communicating information on the changing legislation and the changing landscape of SETAs in 2010 and beyond. Information of the new MIS system, namely MQA-I-Share, was also communicated to stakeholders.
- The community roadshows took place in Vryheid, Bapong, Palaborwa and Nelspruit in March 2008. This was to ensure engagement with rural communities in mining areas. Various mining companies in some of the areas, e.g. Lonmin, were involved and conducted career exhibitions for learners in the communities.
- The MQA's 8th Annual Consultative Conference, held at Monte Casino on 31 October 2008, was attended by more than 300 delegates from the various stakeholder organisations. The conference theme, 'Unified, in promoting education, training and development in the workplace', was aimed at informing delegates about the progress the MQA has made with regards to the targets set by the National Skills Development Strategy II and provided the delegates with an overview of the MQA Annual Report for the 2007/8 financial year. The various legislative amendments were also communicated to stakeholders.
- The Standards Generations Body (SGB) Plenary Session was held on 27 March 2009. The purpose was to acknowledge the contribution made by Technical Reference Groups (TRGs) through their involvement in unit standards generation and the registration of qualifications. The groups also discussed success indicators and challenges encountered during the year, and measures to further increase the current successes.

Exhibitions

During the year under review, the MQA participated in the following industry-related exhibitions:

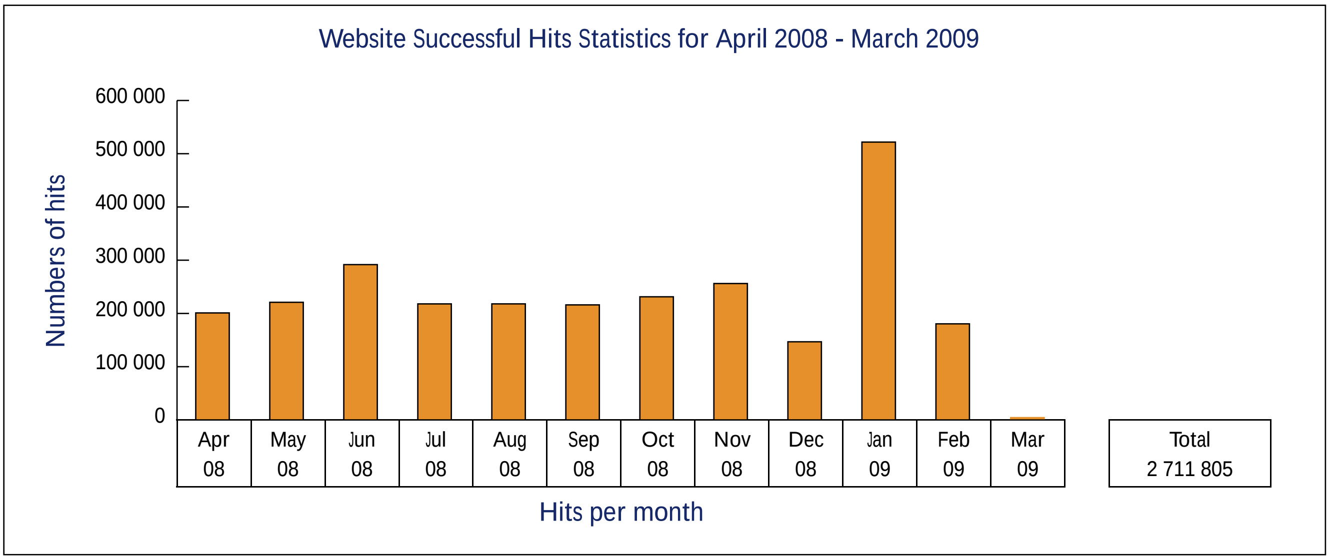
1. Steve Tshwete Local Municipality Career and Lifestyle Management Expo held in Middleburg from 12 to 16 May 2008
2. Department of Minerals and Energy (DME) Learners Focus Week, held at the Vaal University of Technology from 6 to 10 July 2008
3. Jewellex International Exhibition, held at the Sandton Convention Centre from 8 to 11 August 2008
4. Human Resources Development Exhibition, held at Gallagher Estate in Midrand from 12 to 14 August 2008
5. Electra Mining Africa 2008 Exhibition held at Nasrec Expo Centre from 8 to 12 September 2008
6. Lonmin and Samancor Career Development Expo held in Segwaelane, Bapong from 22 to 23 September 2008
7. Beatrix Mine Career Exhibition held at Gold Fields Beatrix Mine on 12 September 2008
8. NSDS Conference held at Gallagher Estate in Midrand from 15 to 17 October 2008
9. Department of Labour (DoL) War on Poverty Campaign Launch held in Taung on 12 December 2008
10. Department of Labour (DoL) Eastern Cape Provincial Skills Indaba held in East London from 26 to 27 February 2009

Together with the Department of Minerals and Energy, the MQA participated in a number of community information sessions aimed at helping underprivileged communities access opportunities within the sector and the Learner Focus week aimed at encouraging learners to take up careers in mining.

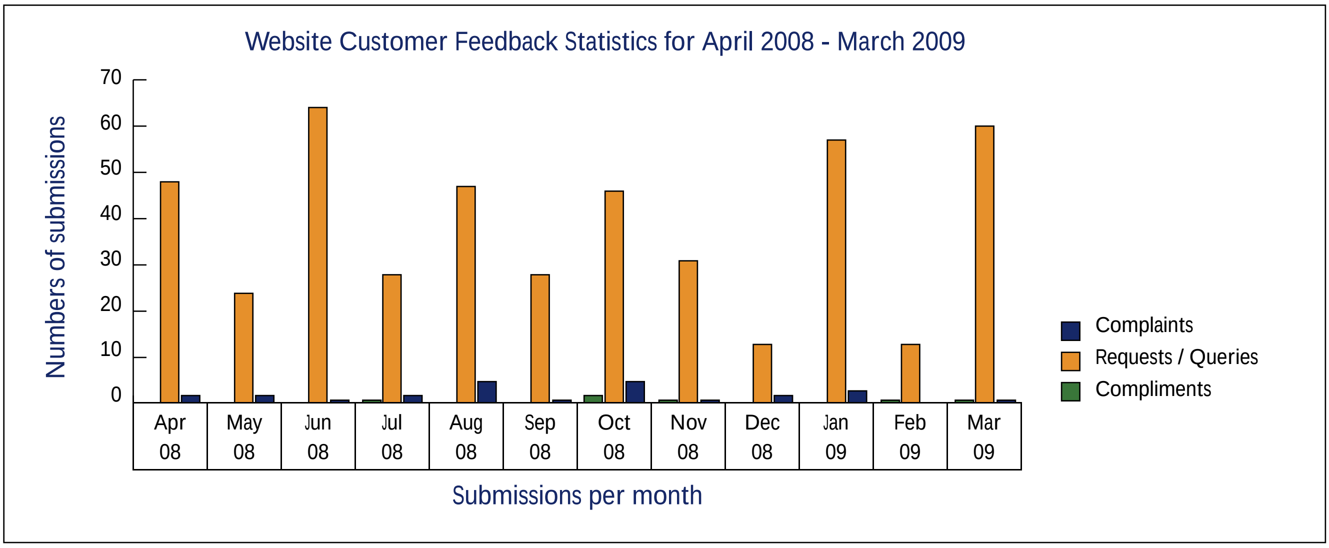
Electronic Media

Website

The MQA continued to promote the website as the primary source of information for existing and potential stakeholders. Communication with the stakeholders is enhanced as they have become more interactive with the MQA, which is demonstrated by the large number of online registrations done throughout the country. During the period 1 April 2008 – 31 March 2009, 2 711 805 users visited the website, in comparison to 1 340 031 in the 2007-2008 and 487 838 in the 2006-2007 financial years. The increase shows that more and more customers are finding the website useful for accessing information on skills development. The introduction of the new MIS system, MQA-I-Share, also contributed to an increase in the number of enquiries generated.



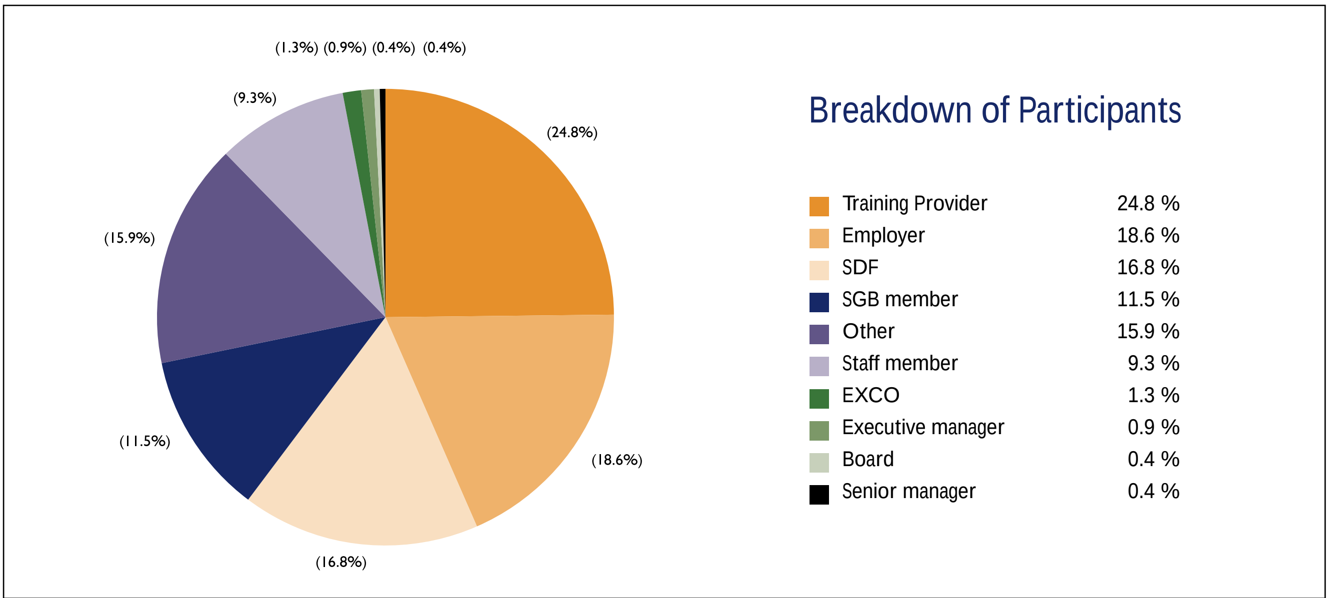
The MQA also received feedback from stakeholders through the customer service programme via the website, where customers can log their queries, complaints and compliments relating to the level and standard of service received from the MQA. This information is required for purposes of maintaining the ISO 9001:2000 office accreditation status as it monitors the turnaround time, efficiency and effectiveness of assistance provided to our customers.



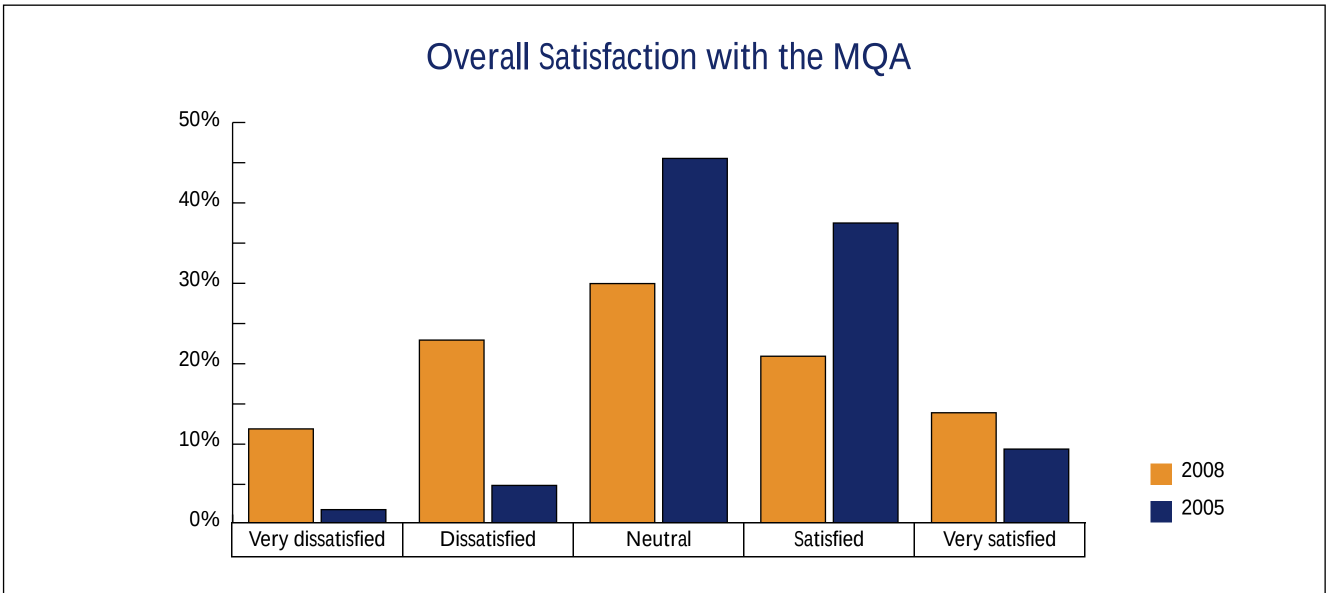
Research

Customer Satisfaction Survey

Following a previous survey conducted in 2005/6, a comprehensive Customer Satisfaction and Climate Survey was conducted by JCP International, an outsourced company commissioned by the MQA. The survey was implemented to measure the impact of service delivery by the organisation with a view to determining possible lack of delivery and taking steps to improve the service. The total of 939 participating stakeholders included providers, employers, skills development facilitators, DoL, DME, SAQA, Board, EXCO various committee members and MQA staff. A 14% response rate was recorded.



The highlight of the survey was that it showed that the overall levels of satisfaction of stakeholders with the MQA were satisfactory and had improved since the 2005/6 survey. In particular, stakeholders saw improvements in respect of transformation, the advancement of women and progress in terms of the requirements of the Mine Health and Safety Act. A comparison of the results of the two surveys reveals that whereas in the 2005 survey 41% of respondents were satisfied or very satisfied with MQA communication, this percentage had risen to 44% in the 2008.



The recommendations emanating from the Customer Satisfaction Survey conducted at the end of the 2008-2009 financial year were communicated to the MQA staff who continuously strive to improve service delivery. Of particular importance was the recommendation that an MIS user group be established. This would be chaired by an external stakeholder, with representation from all user types. This group would regularly report to the MQA EXCO on relevant issues, with recommendations on MQA-I-Share.

4.9 Finance, Grant Disbursement and Management Information Systems

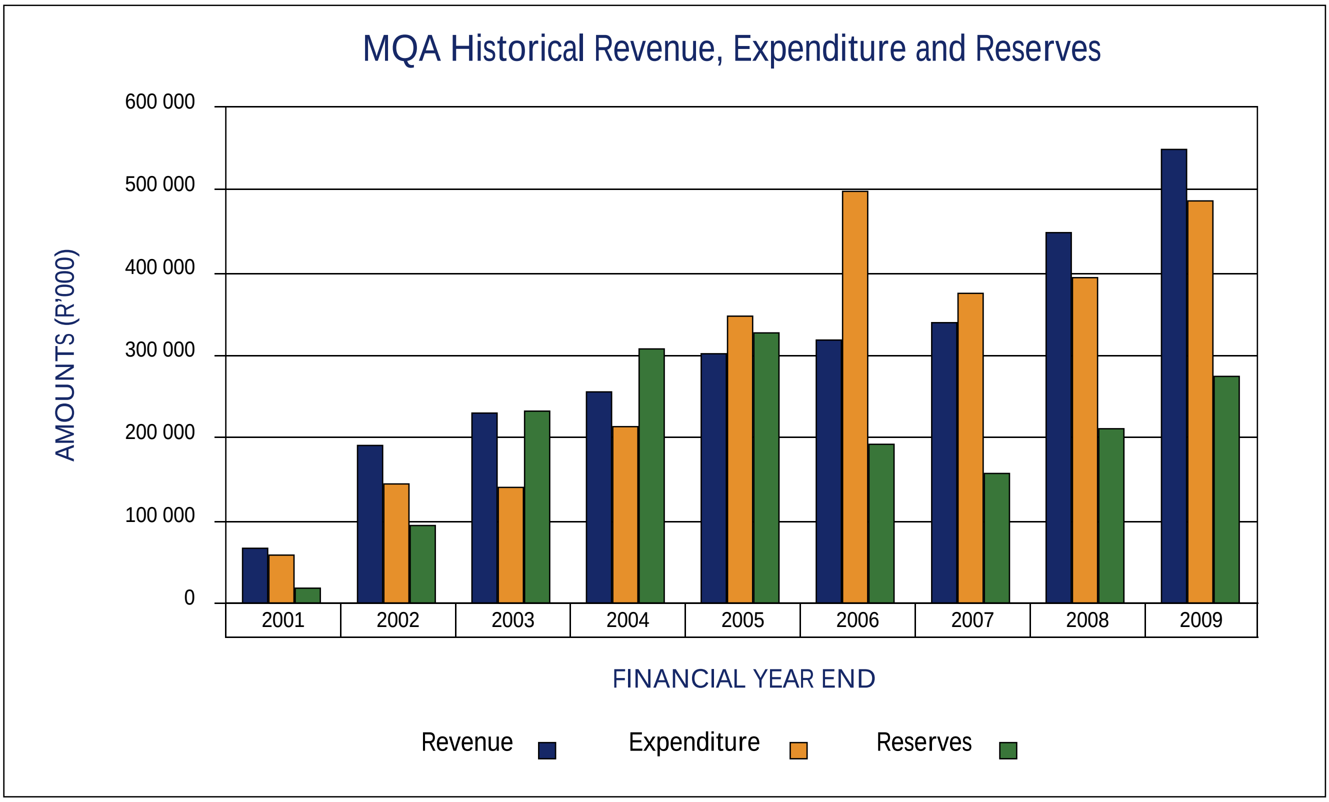
Mfundo Mdingi

FINANCIAL OVERVIEW

The MQA did it again! We have achieved to obtain unqualified audit opinions from the Auditor General for 8 consecutive financial years and are determined, resourced and ready to sustain this achievement. The achievement does not surprise us, it's a reflection of our efforts as we begin each financial year with the year end in mind. It gives me pleasure to provide a graphical picture of the history of our revenues, expenditure and reserves since 2001 and provide commentary on the annual financial statements for the year ended 31 March 2009.

Financial performance

The statement of financial performance, read with Note 2 to the AFS provides information about the financial performance.



Revenue

Skills Development Revenue

Revenue increased by 20% steadily, mainly due to the stability of employment in the major part of the financial year and salary increases in the mining industry. The widely reported past, current and impending job losses in the industry are expected to impact negatively on our levies in the 2009/10 financial year. The impending amendments to the Mine Health and Safety Act regarding companies that are defined as carrying on mining will result in some companies that were registered with other SETAs being transferred to us in the 2009/10 financial year and this should impact positively on our future revenue.

Interest received

We continued to invest our funds in wider instruments with banks as prescribed in the Treasury Regulations. The change in our management information's system during the year delayed the disbursement of grants. These two factors resulted in a 41% increase in interest income. It is our policy to plough back all Interest received to our discretionary grants funds of the following year.

Expenditure

Mandatory grants expenditure

Mandatory grants expenditure indicates that 84% of mandatory grants levy income for the year has been claimed.

Discretionary grants expenditure

Discretionary grants expenditure increased by 56% compared to the previous year and we continued with our spend on discretionary grants that exceeds discretionary funds received.

Administration expenditure

The grant regulations issued in terms of the Skills Development Levy require that unutilised funds received for administration purposes must be transferred to discretionary funds. We always willingly take the initiative to save some funds from administration funds to be ploughed back into the discretionary funds. Our sound budgeting and budgetary control processes have seen us save R17 million of administration funds and these will be ploughed back into the discretionary funds for the next financial year.

Financial position

The statement of financial position and the notes thereto indicate that assets increased by 47 % and should be read with the corresponding 77% increase in liabilities. These increases are mainly due to the delay in grants disbursements as explained under interest received, the majority of these liabilities were paid in April. The difference between the assets and liability is a 30% increase in reserves, a portion of which has been allocated to discretionary grants budget of the following year.

Use of consultants

	2007/08	2008/09	Variance	Comments
Consultants used	34	29	- 5	Reduction in line with business plan and budget
Amount	R 2 146	R 2 135	- R 11	Reduction in line with business plan and budget

Supply Chain Management

We have an established Supply Chain Management Unit as prescribed in Section 76(4) C of the PFMA. We have an established supplier database and software that enables us to classify our suppliers into categories in terms of procurement legislation, rotate them and draw reports on usage of each category.

In the 2008-2009 financial year the following tenders were awarded:

- R1.7 million to two state owned enterprises for training purposes.
- R8.4 million to eight 100% black owned companies
- R1.9 million to three companies that have an HDI status of 15%, 22% and 26% respectively.
- R963 000.00 to a 100% black owned company to provide internal Audit Services
- R192 774.00 to a 100% black women owned company for the production and printing or reports.

Risk management and internal control systems

We constantly review our internal controls systems and monitor their adequacy and that they are operating as designed. In addition, we have an established free fraud prevention hotline that is hosted by an independent service provider, reports registered on the hotline are reviewed and their implications and impact assessed by the risk committee.

PFMA Compliance schedule

Area	Compliance	Comments
Listed as a public entity	Yes	Effective 1 April 2001.
Have an accounting authority	Yes	Duly constituted Management Board of the MQA is the accounting authority. Accounting authority to delegate powers in writing to officials.
Accounting authority to delegate powers in writing to officials	Yes	Effective 1 April 2003.
Accounting authority must appoint a Chief Financial Officer	Yes	CFO appointed in February 2003.
Implement effective, efficient and transparent systems of financial and risk management and internal control	Yes	Effective 1 April 2003.
Develop a system of internal audit	Yes	Internal auditors appointed. The internal auditors constantly monitor adherence to regulations.
Establish an audit committee	Yes	Audit committee established.
Implement fair, equitable, transparent, competitive and cost-effective procurement system	Yes	Part of the Financial Policies and Procedures.
Take effective and appropriate steps to collect all revenue	Yes	The MQA has no authority over the collection of revenue and is therefore not in a position to fully comply with this requirement. A control to monitor levy payments from employers to SARS has been implemented.
Take effective and appropriate steps to manage available working capital efficiently	Yes	Part of the Financial Policies and Procedures. Monthly management reports have been developed to monitor working capital.
Develop measurable objective and pre-determined targets for MQA SETA and report quarterly on the achievement thereof	Yes	The Memorandum of Understanding/Service Level Agreement has been signed with DoL. Quarterly reports are submitted to DOL timeously.
Comply with any tax, levy, duty, pension and audit commitments as required by legislation	Yes	All statutory requirements have been fully complied with.
Develop effective and appropriate disciplinary procedures for non-compliance with law and internal controls in the case of employees who make or permit an irregular or fruitless or wasteful expenditure	Yes	Part of the Financial Policies and Procedures. This was also included in the HR manual.
Comply with the provisions of the PFMA and any other legislation applicable to MQA SETA	Yes	No contravention of any provisions of the PFMA found.
Submit a budget/corporate plan/strategic plan covering all the affairs of MQA SETA to the Director-General of DoL	Yes	The Business Plan and budget was submitted to DOL before the required deadline.
Keep full and proper records of the affairs of the MQA SETA	Yes	Financial systems implemented to keep full and proper records of all the financial affairs of MQA SETA.
Submit quarterly reports to the Director-General of DoL on financial matters as well as on compliance with PFMA	Yes	Report in relation to revenue and expenditure submitted to DOL on a quarterly basis.
Prepare financial statements in accordance with GRAP and the regulatory requirements	Yes	The financial year of the MQA SETA ended on 31 March 2007 and financial statements for this period have been prepared according to GRAP financial reporting framework. This framework is defined as GRAP and GAAP, including any interpretations of such statements, where no GRAP standards exist.

Section 5: Report of the Audit Committee

Ms Ntombenhle Nkosi, Mr Hale Qangule, Mr Livhu Nengovhela (MQA CEO) and Professor Yaswant Gordhan

Report of the Audit Committee required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999

We are pleased to present our report for the financial year ended 31 March 2009.

Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and should meet 5 times per annum as per its approved terms of reference. During the period the Audit Committee met on five occasions and appropriate feedback was provided to the Board on matters that fell within the mandate of the Committee.

	CHAIRPERSON	CONSTITUENCY	NUMBER OF MEETINGS ATTENDED	DATE STARTED	FEES PAID
1.	H Qangule [1]	Independent	5	Oct-00	R34 842
2.	N. Nkosi [2]	Independent	3	Sept-06	R15 200
3.	Prof. Y.N. Gordhan [3]	Independent	3	Sep-04	R15 200
4.	V. Mabena	Board Representative	3	Apr-04	
5.	J. Ditinti	State	4	Aug-06	
6.	I. Dladla	Labour	2	Apr-06	
7.	T. Tlhabeli	Employers	1	Apr-06	
8.	C Rivett-Carnac[4]	Employers	3	Apr-07	
9.	S. Mokgothu[5] (Alternate)	Labour	3	Apr-07	
12.	D. Mooketsi (Alternate)	Labour	3	Apr-06	

(1) H. Qangule Reappointed as Chairperson with effect from 01 September 2006
(2) N. Nkosi New appointment with effect from 01 September 2006
(3) Y. Gordhan Reappointed as Independent member with effect from 01 September 2006
(4) C. Rivett-Carnac Reappointed as member with effect from 01 November 2008

Audit Committee Responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its Audit Committee charter, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Internal Control and Risk Management

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are adequate and effective to mitigate the risks applicable to the MQA. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. In order to enhance the risk management process the MQA has established a Risk Management and Fraud Prevention Committee.

In the conduct of its duties, the Audit Committee has amongst other things, reviewed the following:

- The effectiveness of internal control systems.
- The effectiveness of the internal audit function.
- The risk areas of the entity's operations covered in the scope of internal and external audits.
- The adequacy, reliability and accuracy of financial information provided by management for users of such information.
- Accounting and auditing concerns identified as a result of internal and external audits.
- The entity's compliance with legal and regulatory provisions.
- The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.
- The independence and objectivity of both the internal and external auditors.

The Audit committee is of the opinion, based on the information and explanations given by management and the internal auditors and discussions with the independent external auditors on the results of their audits, that the internal accounting controls are operating to ensure that the financial records may be relied upon for preparing the annual financial statements, and accountability for assets and liabilities is maintained.

For the period under review the Audit Committee is satisfied that it has carried out the mandate in accordance with its charter, good governance principles and the requirements of the Public Finance Management Act.

We can report that the key systems of internal control over financial reporting for the period under review were efficient and effective. Management have taken corrective steps to address areas of weakness identified during the course of the financial year.

Evaluation of Annual Financial Statements

Following our review of the Annual Financial Statements for the year ended 31 March 2009, we are of the opinion that they comply in all material respects with the relevant provisions of the Public Finance Management Act, No 1 of 1999, as amended, and South African Statements of Generally Recognised Accounting Practice, and the South African Statements of Generally Accepted accounting Practice, including any interpretations of such statements, where no GRAP standard exists and that they fairly present the results of operations, cash flow and the financial position of the MQA. We therefore recommend that the financial statements submitted be approved.

The Audit Committee concurs with members of the Board that the adoption of the going concern assertion in the preparation of the annual financial statements is appropriate.

Internal audit

We are satisfied that the internal audit function is operating effectively and it has addressed risks pertinent to the MQA in its audits.

Auditor-General South Africa

We have met with the Auditor General South Africa to ensure that there are no unresolved issues.

H Qangule
CHAIRPERSON
31 May 2009

Section 6:
Report of the Auditor-General

Report of the Auditor-General to Parliament on the Financial Statements and Performance Information of Mining Qualifications Authority for the year ended 31 March 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Mining Qualifications Authority (MQA) which comprise the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 76 to 116.

The accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 14(6) (a) of the Skills Development Act, 1998 (Act No. 97 of 1998), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the MQA as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the PFMA.

Basis of accounting

8. The MQA's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

Other matters

9. Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Re-licensing

10. SETA's were established for a five-year period until 31 March 2010. The MQA has applied for the renewal of its certificate of establishment. It is expected that the legislated renewal process will be concluded by 31 March 2010.

Governance framework

11. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

12. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 55 of the PFMA	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The public entity had an audit committee in operation throughout the financial year.	✓	
	• The audit committee operates in accordance with approved, written terms of reference.	✓	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8	✓	
7.	Internal audit	✓	
	• The MQA had an internal audit function in operation throughout the financial year.	✓	
	• The internal audit function operates in terms of an approved internal audit plan.	✓	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2	✓	
12.	Delegations of responsibility are in place, as set out in section 56 of the PFMA	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA/Oversight resolutions have been substantially implemented.	✓	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		✓
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	

No.	Matter	Y	N
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the MQA against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulations 30.1.	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

13. The overall governance framework of the MQA is adequate.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

14. I have reviewed the performance information as set out on pages 17 to 21.

The accounting authority's responsibility for the performance information

15. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

The Auditor-General's responsibility

16. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*

17. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

18. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Findings on performance information

Usefulness and reliability of reported performance information

19. The following criteria were used to assess the usefulness and reliability of the information on the entity's performance with respect to the objectives in its strategic plan:

- **Consistency:** Has the entity reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan?
- **Relevance:** Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
- **Reliability:** Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

Reported performance information not reliable

20. The actual achievements of indicator 2.7 for ABET level 1 and 2 disclosed in the annual report, is inaccurate.

APPRECIATION

21. The assistance rendered by the staff of the MQA during the audit is sincerely appreciated.

Auditor-General.

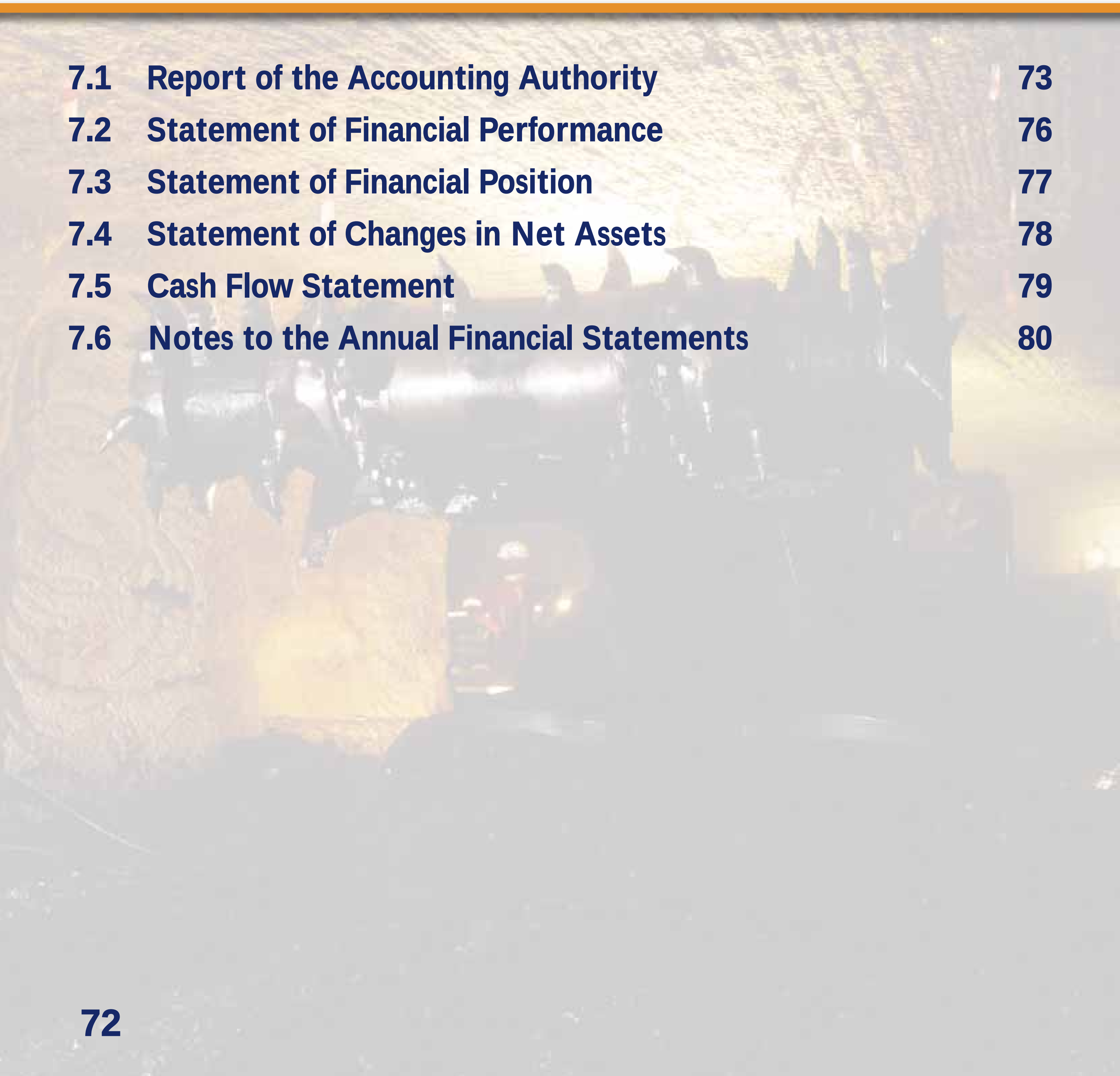
Pretoria

31 July 2009

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Section 7:
Annual Financial Statements
for the year ended 31 March 2009



7.1 REPORT OF THE ACCOUNTING AUTHORITY for the year ended 31 March 2009

Responsibilities of the Accounting Authority

The Accounting Authority (Governing Board) 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 their responsibilities, the Accounting Authority has set standards, which require that management implement effective and efficient systems of financial and risk management and internal controls, as well as transparent financial reporting and accounting information systems.

Further responsibilities of the Accounting Authority include:

- The management and safeguarding of the assets of the MQA, as well as the management of revenues, expenditures and liabilities of the MQA.
- The submission by the MQA of all reports, returns, notices and other information to Parliament or the relevant provincial legislature and to the relevant executive authority or treasury, as may be required by the Act.

General review of the state of affairs

Total revenue for the MQA for the 2008/09 financial year including NSF income amounted to R 548 million (2007/08 R448 million). The effect was an increase of R 100 million. The increase was mainly due payroll increases within the mining industry.

The administration income allocated from levies received was R63 million for the year (2007/08 R52 million). The actual administrative expenditure for the year amounted to R46 million (2007/08 R 39 million).

The MQA recorded a surplus of R63 million for the current financial year (2007/08 R 55 million). The MQA reserves at year end amounts to R 275 million (2007/08 R 211 million). These reserves are also adequate to meet future commitments of R200 million. Due to the excess funds received in this financial year the MQA will increase it's funding towards discretionary projects and grants in the coming year.

During the year the MQA expensed R 433 million towards mandatory and discretionary grants and projects. The total figure for the 2007/08 financial year was R 352 million.

The following are some of the major allocations in respect of discretionary grants and projects made to the Mining and Minerals Sector during the year:

	R' millions 2008/09	R' millions 2007/08
Adult Basic Education	19	11
New Enterprise Skills Development	7	3
Bursary Scheme	37	24
Learnerships & skills programes	75	59
Graduate Training Programme	3	-
Learning material development grants	3	-
Unit standard generation grants	2	1
Employment equity grant(University)	5	4
National Skills Fund Project	4	1
Small Scale/Examineers	4	-
Other various projects	12	6
	171	**109**

Services rendered by the MQA

The MQA is a Public Entity established in terms of the Mine Health and Safety Act of 1996 and is also registered as a Sector Education and Training Authority (SETA) for the Mining and Minerals Sector in terms of the Skills development Act of 1998.

Capacity

The year under review saw a decrease in the number of staff resignations compared to the previous year. The organisational establishment had been reviewed and the staff complement by year end had increased. The MQA currently have a stable workforce.

Utilisation of Donor funds

The National Skills Fund (NSF) transferred R 6 million to the MQA during the year under review. These funds are mainly used for the training of artisans. The funds are utilised in terms of the project plan and service agreement between the MQA and NSF.

Public Private Partnerships

During the period of review, no formal Public Private Partnership agreements were concluded.

Corporate Governance arrangements

The Accounting Authority is satisfied with the contribution made to the strategic objectives of its five standing committees during the period under review.

The MQA Constitution has also been amended to ensure alignment with the PFMA with particular emphasis on the fiduciary duties of members of the Accounting Authority.

Change in Legislative interpretation

There were no changes in legislation that effected the financial statements for the current financial year. However the MQA expects new legislation to be introduced within the 2009/10 financial year.

Discontinued Services

During the period under review no projects or services were discontinued.

New/Proposed activities

The following new projects were introduced during the 2008/09 financial year:

- Beneficiation Support.
- Women in Mining Support.

Allowances for Members of the Accounting Authority

The members of the Accounting Authority receive no allowances from the MQA. Members may however claim travel expenses incurred as a result of their attendance of Board and Standing committee meetings. The names and attendance of members of the Accounting Authority are covered in the Chairpersons Report.

Executive Management Remuneration

Name & Title	Basic Salaries	Performance Bonuses	Non-Pensionable Allowances	Medical Aid Allowances	Pension Contribution	Totals 2007 - 2008	Totals 2006 - 2007
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
L. Nengovhela (CEO)	539	155	157	22	86	959	780
Y. Omar (CFO)	520	103	116	18	77	834	762
C. Smit (COO)*	51	46	89	2	6	194	761
F. Prinsloo (COO)**	399	0	115	0	64	578	0
D. Barclay (EMCS)	344	90	304	0	51	789	0
	1853	**394**	**781**	**42**	**284**	**3354**	**2123**

* 1 month – April 2008.

** 9 months – July 2008-March 2009

Events after reporting date

The MQA is not aware of any events that would impact on the entity after the reporting date.

Going Concern

The MQA is dependent on skills development levies from the Mining and Minerals Sector. Members of the Accounting Authority are of the opinion that the MQA will be a going concern in the foreseeable future. For this reason they continue to adopt a going concern basis in preparing the annual financial statements.

SETA Re-establishment

SETAs were established for a five year period until 31 March 2010. The MQA has applied for the renewal of its certificate of establishment as a seta. It is expected that the legislated renewal process will be concluded by 31 March 2010.

Responsibility for annual financial statements

The members of the Accounting Authority are responsible for the preparation of the annual financial statements.

Approval of financial statements

The annual financial statements for the year ended 31 March 2009, set out on pages 6 to 33, have been approved by the Accounting Authority on 20 May 2009 in terms of section 51(1)(f) of the Public Finance Management Act, (Act no. 1 of 1999), as amended, and signed on their behalf by:

Thabo Gazi
MQA Chairperson
31 May 2009

Livhu Nengovhela
Chief Executive Officer
31 May 2009

7.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2009

	Note	2008/09 R'000	2007/08 R'000 (Restated)
REVENUE			
Revenue from non exchange transactions		**508 367**	419 804
Skills Development Levy: income	3.1	**500 335**	415 654
Skills Development Levy: penalties and interest	3.2	**1 937**	2 289
Government grants and donor funding income recognised	17	**6 095**	1 861
Revenue from exchange transactions		**39 860**	27 927
Investment income	4.1	**39 268**	27 855
Other income	4.2	**592**	72
Total revenue		**548 227**	447 731
EXPENSES			
Employer grant and project expenses	5	**(433 252)**	(351 928)
Administration expenses	6	**(45 685)**	(38 625)
Finance costs	7	**(6)**	(9)
Government grants and donor funding expenses	17	**(6 095)**	(1 861)
Total expenses		**(485 038)**	(392 423)
NET SURPLUS FOR THE YEAR	2	**63 189**	55 308

7.3 STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2009

	Note	2008/09 R'000	2007/08 R'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	8.1	**2 038**	2 202
Intangible assets	8.2	**20**	39
Non current trade receivables from exchange transactions	9	**215**	215
		2 273	2 456
Current assets			
Inventories	10	**189**	44
Trade and other receivables from non-exchange transactions	11	**1 970**	3 966
Trade and other receivables from exchange transactions	9	**677**	522
Cash and cash equivalents	12	**452 996**	307 677
		455 832	312 209
TOTAL ASSETS		**458 105**	314 665
LIABILITIES			
Non-current liabilities			
Finance lease obligations	13	**-**	17
Current liabilities			
Grants and transfers payable	15	**173 510**	92 796
Trade and other payables from exchange transactions	16	**6 621**	6 970
Government grants and donor funding received in advance	17	**2 478**	2 580
Current portion of finance lease obligations	13	**17**	20
Provisions	18	**847**	839
		183 743	103 205
TOTAL LIABILITIES		**183 743**	103 222
NET ASSETS		**274 632**	211 443
Funds and reserves			
Administration reserve		**2 058**	2 241
Employer grant reserve		**1 605**	619
Discretionary reserve		**270 969**	208 583
TOTAL NET ASSETS		**274 632**	211 443

7.4 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2009

	Notes	Administration reserve R'000	Employer grant reserve R'000	Discretionary reserve R'000	Accumulated surplus R'000	Total R'000
Balance at 1 April 2007 as previously stated		**2 495**	**475**	**153 522**	**-**	**156 492**
Effect of prior period error		-	-	(357)	-	(357)
Balance at 1 April 2007 restated		**2 495**	**475**	**153 165**	**-**	**156 135**
Surplus for the year - restated		-	-	-	55,308	55 308
Allocation of unapropriated surplus for the year - restated	2	13 347	17 460	24 501	(55 308)	-
Administration and employer grant reserves transferred to discretionary reserves		(13 601)	(17 316)	30 917	-	-
Balance at 31 March 2008	**21**	**2 241**	**619**	**208 583**	**-**	**211 443**
Surplus for the year		-	-		63 189	63 189
Allocation of unapropriated surplus for the year	2	17 418	50 482	(4 711)	(63 189)	-
Administration and employer grant reserves transferred to discretionary reserves		(17 602)	(49 496)	67 097	-	-
Balance at 31 March 2009	**21**	**2 058**	**1 605**	**270 969**	**-**	**274 632**

7.5 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	2008/09 R'000	2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		**505 316**	417 180
Levies, interest and penalties received		**504 685**	417 141
Other cash receipts from stakeholders		**631**	39
Cash paid to stakeholders, suppliers and employees		**(404 351)**	(366 797)
Grants and project payments		**(352 278)**	(328 707)
Special projects		**(6 195)**	(1 761)
Compensation of employees		**(20 136)**	(17 061)
Payments to suppliers and other		**(25 742)**	(19 268)
Cash generated/(utilised) in operations	19	**100 965**	50 383
Interest received	4.1	**39 043**	27 535
Interest paid	7	**(6)**	(9)
Net cash inflow from operating activities		**140 002**	77 909
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	**(679)**	(605)
Proceeds from disposal of property, plant and equipment		**3**	-
Net cash outflow from investing activities		**(676)**	(605)
CASH FLOW FROM FINANCING ACTIVITIES			
Government grants and donor funding	17 & 9	**6 013**	610
Repayment of finance lease obligation and interest	13	**(20)**	(16)
Net cash inflow from financing activities		**5 993**	594
Net increase in cash and cash equivalents		**145 319**	77 898
Cash and cash equivalents at beginning of year	12	**307 677**	229 779
Cash and cash equivalents at end of year	12	**452 996**	307 677

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

1.1 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 Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent of GAAP Statement as follows:

Standard of GRAP	Replaced Statement of GAAP
GRAP 1 : Presentation of financial statements	AC 101 : Presentation of financial statements
GRAP 2 : Cash flow statements	AC 118 : Cash flow statements
GRAP 3 : Accounting policies, changes in accounting estimates and errors	AC 103 : Accounting policies, changes in accounting estimates and errors

Currently, the recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following changes in the presentation of financial statements.

1.1.1 Terminology differences

Standard of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus / deficit	Profit / loss
Accumulated surplus / deficit	Retained earnings
Contributions from owners	Share capital
Distributions to owners	Dividends

1.1.2. The cashflow statement can only be prepared in accordance with the direct method.

1.1.3. Specific information has been presented separately on the statement of financial position such as:

(a) receivables from non exchange transactions, including taxes and transfers
(b) taxes and transfers payable
(c) trade and other payables from non exchange transactions.

1.1.4. Amount and nature of any restrictions on cash balances is required.

Paragraph 11-15 of GRAP 1 has not been implemented due to the fact that the local and international budgeting reporting standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non disclosure will not affect the objective of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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

1.2 Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the entity transactions are denominated.

1.3 Revenue

1.3.1 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 a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Labour (DoL).

Companies with an annual payroll cost less than R500 000 are exempted in accordance with section 4(b) of the Levies Act, as amended, with effect from 01 August 2005.

80% of skills development levy contribution is transfered to the MQA and 20% to the National Skills Fund (NSF) by the Department of Labour.

SDL income 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 :

	2008/09	2007/08
Administration costs of the MQA	**10%**	10%
Mandatory grants	**50%**	50%
Discretionary grants and projects	**20%**	20%
	80%	80%

In addition to these amounts employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS are charged interest and penalties at rates prescribed by SARS from time to time. The interest and penalties charged are remitted to the Department of Labour, who in turn transfers them to the MQA. The interest and penalties are disclosed separately as Skills Development Levy penalties and interest.

1.3.1.1 Interseta transfers

Revenue is adjusted for transfers of employers between SETAs that arise due to incorrect allocation to a SETA on registration for Skill 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 Department of Labour.
Where transfers from other SETAs to the MQA occur, the levies transferred are recognised as revenue and allocated between the respective catergories as reflected in 1.3.1 above to maintain its original identity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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

Recognition

Skills Development Levy income is recognised when it is probable that future economic benefit will flow to the MQA and these benefits can be measured reliably. This occurs when the Department of Labour (DoL) 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 below threshold are not recognised as revenue but as a provision as they represent an obligation to be refunded to the employers because the employers are exempted from paying skills development levies.

Measurement

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

1.3.2 Government grants, donor funding income and funds allocated by National Skills Fund for special projects

Conditional government grants and other conditional donor funding received are recorded as deferred income when they become receivable and are then 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 when the amounts have been received.

Funds transferred by the National Skills Fund (NSF) are accounted for in the financial statements of the MQA as a liability until the related eligible special project expenses are incurred, when the liability is extinguished and revenue recognised.

Property, plant and equipment acquired from Government grants (NSF) are capitalised, as the MQA controls such assets for the duration of the project. Such assets can however only be disposed of in terms of written agreement with the NSF.

1.3.3 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.

1.4 Grants and project expenditure

In terms of the Grant Regulations, registered employers may recover 50% of levy payments (excluding interest and penalties) in the form of mandatory grants provided they comply with these regulations section of monies received and related matters.

In addition registered employers that participate in training initiatives prescribed in the National Skills Development Strategy (2005-2010) can apply for and be granted discretionary grants to supplement their training costs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1.4.1 Mandatory grants

The mandatory grant payable and the related expenditure are recognised when the employer has submitted an application for a grant in the prescribed format within the legislated cut-off period and the application has been approved as the payment then becomes probable. The grant is equivalent to 50% of the total levies paid by the employer during the corresponding financial period for the skills planning and annual training report grants. (2007/08 : 50%).

The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act and the grant regulations and is based on the amount of levies received.

1.4.1.1 Retrospective amendments by SARS

The MQA calculates and pays mandatory grants to employers based on the information from the Department of Labour as obtained from SARS. Where SARS retrospectively ammends the information on levies collected, it may result in grants that have been paid to certain employers that are in excess of the amount the MQA is permited to have granted to employers. A receivable relating to the overpayment to the employer 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 net present value of the expected future cash inflow as determined in accordance with the MQA policy on debtors management and is based on the actual overpayments.

1.4.2 Discretionary grants and project expenditure

The MQA may in terms of the Grant Regulations, out of funds set aside for discretionary and projects, investment income and any surplus monies from administration allocation and unclaimed mandatory grants, determine and allocate discretionary grants to employers, education and training providers and workers of the employers. The allocations of discretionary grants and projects is dependent on employers submitting the prescribed application, in the prescribed format and within the prescribed cut-off period. The discretionary grant and project expenditure payable and the related expenditure are recognised when the application has been approved and the conditions for grant payment, as set out in the MQA grants policy have been met.

The liability is measured at the net present value of the expected future cash outflow as determined in accordance with the Act and the grant regulations and is based on the amount of levies received, investment income and surplus monies from administration allocations and unclaimed mandatory grants.

Project expenditure comprises:

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

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

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as commitments in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Discretionary grants and project costs are recognised as expenses in the period in which they are incurred. A receivable is recognised net of a provision for irrecoverable amounts for incentive and other payments made to the extent of expenses not yet incurred.

1.5 Prepayments

The MQA may, in certain instances in contracting with SMMEs and when required by the terms of the contract of a services 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 they are incurred and disclosed in the notes to the financial statements of the reporting period that it has been identified.

1.7 Property, plant and equipment

Property, plant and equipment (owned and leased) are stated at cost less any subsequent accumulated depreciation and adjusted for any impairments. 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. The following rates are used.

• Computer equipment	2 - 3 years
• Office furniture and fittings	8 - 10 years
• Office equipment	5 - 6 years
• Motor vehicles	4 - 5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised)

The gain or loss on disposal of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount and are taken into account in determining the surplus or deficit.

1.7.1 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.7.1.2 Key sources of estimation uncertainty

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

The MQA reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period, refer to note 8 for carrying amounts of property, plant and equipment. The MQA is currently established until 31 March 2010 (as a SETA), and in terms of the Act, read together with Government notice No. R1082 of 7 September 1999, the MQA is required to apply to the Minister for a renewal of its certicate of establishment by 1 April 2009.

In the light of the requirement to apply for the renewal of the MQA's certificate of establishment, management was required to consider how it impacts the period over which assets are expected to be available for use by the MQA. Management determined, consistently with prior years, that the useful lives of assets should not be limited by the MQA's establshment until March 2010. Managements determination of useful lives also impact the determination of residual values of assets.

The MQA has reviewed the residual values used for the purpose of depreciation calculations in light of the amended definition of residual value. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. Residual values will continue to be reviewed annually in future.

1.7.2 Intangible assets

Intangible Assets that meet the recognition criteria are stated in the Statement of Financial Position at amortised cost, being the initial cost price. Amortisation is charged to the Statement of Financial Performance so as to write off the cost of intangible assets over their estimated useful lives.

- Computer software 1-3 years

The useful lives of intangible assets are reassesed at the end of each financial year.

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Any write-down to net realisable value is recognised as an expense in the period that it has been incurred.

1.9 Borrowings and borrowing costs

In terms of section 66(3)(c) of the Public Finance Management Act 1999 as amended, a Public Entity may only through the Minister of Finance borrow money or, in the case of the issue of a guarantee, indemnity or security, only through the Minister of Labour, acting with the concurrence of the Minister of Finance.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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

Borrowing costs are recognised as an expense in the period that it has been incurred.

1.10 Leasing

1.10.1 Finance leases

Leases as per the Treasury Regulations relates to a contract that transfers significant risks, rewards, rights and obligations incidental to ownership to the lessee is recorded as a purchase of equipment by means of long-term borrowing. All other leases are classified as operating leases.

Finance leases are recognised as assets and liabilities at amounts equal to the lesser of the leasehold property or the present value of minimum lease payments at the inception of the lease.

The discount rate used to calculate the present value of minimum lease payments is the interest rate implicit in the lease or if not practicable to determine, the prime lending rate at the inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

1.10.2 Operating leases

The lease payments of an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis relates better to the time pattern of benefits expected from the leased asset.

Alternatively assets held under finance leases and the corresponding liability are recognised at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the Statement of financial perfomance over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligations for each accounting period.

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 period in which termination takes place.

1.11 Retirement benefit costs

The entity operates a defined contribution plan, the assets of which are generally held by third party trustee-administered funds. The plan is funded by payments from the entity and 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 entity and employee contributions to the fund are measured on an undiscounted basis unless they fall due wholly after twelve months after the end of the period in which the employees rendered the related services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1.12 Provisions

Provisions are recognised when the MQA has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Long-term provisions are discounted to net present value.

1.12.1 Provision for employee entitlements

The cost of other employee benefits (not recognised as retirement benefits) is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. An accrual is raised for the estimated liability as a result of services rendered by employees up to the reporting date.

1.12.2 Other provisions

Provisions included in the Statement of Financial Position are provisions for leave and perfomance awards. Provisions for leave are based on current salary rates and leave days due at the reporting period. Provisions for perfomance awards are based on estimated perfomance levels and salary rates prevalent at the reporting date.

Termination benefits are recognised only when the payment is made.

No provision has been made for retirement benefits as the MQA does not provide for retirement benefits for its employees.

1.13 Contingent Liabilities

Contingent Liabilities are disclosed as commitments when the MQA has a possible obligation that will probably result in an outflow of economic benefits depending on ocurrence or non-occurrence of a future event.

Disclosed amounts in respect of contingent liabilities are measured on the basis of the best estimate, using experience of similar transactions or reports from independent experts.

1.14 Financial instruments

Recognition

Financial assets and financial liabilities are recognised on the MQA's statement of financial position when the MQA becomes a party to the contractual provisions of the instrument and the provisions create an obligation to receive or deliver cash.

1.14.1 Financial assets

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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, and 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.

Financial assets can be classified into the following specified categories: financial assets as 'at fair value through profit or loss" (FVTPL), "held to maturity investments", "available for for sale" financial assets and "loans and receivables". 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.

1.14.1.2 Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that 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 method less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables where the recognition of interest would be immaterial.

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

1.14.1.4 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 assets 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 account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

Cash and cash equivalents are measured at fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1.14.2 Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

1.14.2.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or is designated at FVTPL.

1.14.2.2 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 it arises. 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 net profit or loss for the period.

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

1.14.2.3 Other financial liabilities

Other financial liabilities are initially measured at fair value net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

1.15 Reserves

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

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Accumulated surplus/deficit

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Grant Regulations (note 1.3.1) issued from time to time by the Department of Labour in terms of the Skills Development Act, Act No. 97 of 1998 as amended.

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grants and projects. Other income received are 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 admistration 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 in the annual financial statements. Consequently, the reserves disclosed in the Statement of Changes in Net Assets and movements disclosed in note 2

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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do not represent cash reserves or fund monies as implied in Grants Regulations issued by the Department of Labour in terms of the Skills Development Act, Act No. 97 of 1998 as amended.

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

1.16 Related party transactions

Transactions are disclosed as other related party transactions where the SETA has in the normal course of its operations, entered into certain transactions with entities either related to the Department of Labour or which had a nominated representative serving on the SETA accounting authority.

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

1.17 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 FOR THE YEAR ENDED 31 MARCH 2009

2. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES

	2008/09 Grants				
	Total per Statement of financial performance R'000	Administration R'000	Mandatory grants R'000	Discretionary grants R'000	Special projects R'000
Total revenue	548 227	63 109	312 693	166 330	6 095
Skills development levy: income	502 272	62 517	312 693	127 062	-
Admin levy income (10%)	62 517	62 517	-	-	-
Grant levy income (70%)	437 818	-	312 693	125 125	-
Skills development levy: penalties and interest	1 937	-	-	1 937	-
Donations for special projects	6 095	-	-	-	6 095
Investment income	39 268	-	-	39 268	-
Other income	592	592	-	-	-
Total expenses	(485 038)	(45 691)	(262 211)	(171 041)	(6 095)
Administration expenses	(45 685)	(45 685)	-	-	-
Finance costs	(6)	(6)	-	-	-
Employer grants and project expenses	(439 347)	-	(262 211)	(171 041)	(6 095)
Net surplus per Statement of financial perfomance allocated	63 189	17 418	50 482	(4 711)	-

	2007/08 Grants				
	Total per Statement of financial performance R'000	Administration R'000	Mandatory grants R'000	Discretionary grants R'000	Special projects R'000
	(Restated)	(Restated)			
Total revenue	447 731	51 981	260 004	133 885	1 861
Skills development levy: income	417 943	51 909	260 004	106 030	-
Admin levy income (10%)	51 909	51 909	-	-	-
Grant levy income (70%)	363 745	-	260 004	103 741	-
Skills development levy: penalties and interest	2 289	-	-	2 289	-
Donations for special projects	1 861	-	-	-	1 861
Investment income	27 855	-	-	27 855	-
Other income	72	72	-	-	-
Total expenses	(392 423)	(38 634)	(242 544)	(109 384)	(1 861)
Administration expenses	(38 625)	(38 625)	-	-	-
Finance costs	(9)	(9)	-	-	-
Employer grants and project expenses	(353 789)	-	(242 544)	(109 384)	(1 861)
Net surplus per Statement of financial perfomance allocated	55 308	13 347	17 460	24 501	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

3. REVENUE FROM NON EXCHANGE TRANSACTIONS

	Note	2008/09 R'000	2007/08 R'000
3.1 Skills development levy income			
Levy income: Administration		**62 517**	51 909
Levies received		**62 792**	51 791
Levies received from SARS		**62 489**	51 558
Interseta transfers in		**469**	284
Interseta transfers out		**(166)**	(51)
Movement in levies accrued		**(275)**	118
Levy income: Employer Grants		**312 693**	260 004
Levies received		**314 069**	259 414
Levies received from SARS		**312 555**	258 248
Interseta transfers in		**2 348**	1 421
Interseta transfers out		**(834)**	(255)
Movement in levies accrued		**(1 376)**	590
Levy income: Discretionary Grants		**125 125**	103 741
Levies received		**125 667**	103 507
Levies received from SARS		**125 067**	103 039
Interseta transfers in		**939**	568
Interseta transfers out		**(339)**	(100)
Movement in levies accrued		**(542)**	234
		500 335	415 654
3.2 Interest and penalties: skills development levy income			
Levy interest		**545**	1 039
Levy penalties		**1 392**	1 250
		1 937	2 289

4. REVENUE FROM EXCHANGE TRANSACTIONS

		2008/09 R'000	2007/08 R'000
4.1 Investment income		**39 043**	27 855
Interest received		**39 268**	27 535
Movement in interest accrued		**(225)**	320
4.2 Other income			
Reprinting of training certificates		**4**	18
Insurance recoveries		**5**	8
SDL recoveries		**82**	46
Other recoveries		**501**	-
		592	72

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

5. EMPLOYER GRANT AND PROJECT EXPENSES

	Note	2008/09 R'000	2007/08 R'000
Mandatory grants		**262 211**	242 544
Disbursed		**238 367**	218 470
Movement in liabilities and accruals		**23 844**	24 074
Discretionary grants	21.3	**125 939**	78 399
Disbursed		**69 486**	74 864
Movement in liabilities and accruals		**56 453**	3 535
Project expenditure	21.3	**45 102**	30 985
Disbursed		**44 402**	35 289
Movement in provisions and accruals		**700**	(4 304)
		433 252	351 928

5.1 Direct project costs

Direct project costs	**43 308**	28 911
Service provider costs	**1 792**	1 995
Administration costs	**2**	80
	45 102	30 986

6. ADMINISTRATION EXPENSES

	Note	2008/09 R'000	2007/08 R'000 (Restated)
Depreciation		**846**	856
Gain/ (loss) on disposal of property, plant and equipment		**13**	2
Operating lease rentals		**1 864**	2 107
Buildings-Operating leases		**1 697**	1 940
Plant, machinery and equipment-operating leases		**167**	167
Maintenance, repairs and running costs		**689**	377
Property and buildings		**476**	215
Machinery and equipment		**213**	162
Research and development costs		**2 063**	1 043
Advertising, marketing and promotions, communication		**3 077**	2 355
Entertainment expenses		**68**	49
Consultancy and service provider fees		**2 135**	2 146
Legal fees		**365**	855
Cost of employment	6.1	**20 324**	17 096
Travel and subsistence		**2 330**	2 251
Staff training and development		**1 233**	1 061
Provincial linkages expenditure		**70**	-
Remuneration to members of the audit committee		**44**	73
Internal auditor's remuneration		**542**	491
External auditor's remuneration		**780**	429
Other		**9 242**	7 434
Printing and Stationery		**2 103**	2 057
Conference costs		**6 450**	4 858
Insurance		**141**	126
Rates & taxes, water & lights & security		**412**	317
Donations & sponsorships		**85**	31
Sundry items		**51**	45
		45 685	38 625

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

6.1. Cost of employment

	Note	2008/09 R'000	2007/08 R'000
Salaries and wages		**17 856**	15 130
Basic salaries		**11 200**	9 542
Performance awards		**1 749**	1 748
Other non-pensionable allowance		**2 768**	2 669
Temporary staff		**1 382**	659
Leave payments		**757**	512
Social contributions		**2 468**	1 966
Medical aid contributions		**426**	431
Pension contributions: defined contribution plans		**1 574**	1 346
UIF		**93**	80
Other salary related costs		**375**	109
	6	**20 324**	17 096
Average number of employees		**70**	67

Refer to the report by the Accounting Authority for disclosure concerning the emoluments of members of the Accounting Authority and the executive management of the MQA.

7. FINANCE COSTS

	2008/09 R'000	2007/08 R'000
Interest expense:		
Bank borrowings		-
Obligations under finance leases	**6**	8
Other interest	**-**	1
Total interest expense	**6**	9

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

8.1 PROPERTY, PLANT AND EQUIPMENT

Owned assets Year ended 31 March 2009	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount 2008/09 R'000
Computer equipment	1 965	(1 457)	508
Office furniture and fittings	2 279	(1 241)	1 038
Office equipment	1 356	(927)	429
Motor vehicles	384	(321)	63
Balance at end of the year	5 984	(3 946)	2 038
Made up as follows:			
Owned assets	5 892	(3 883)	2 009
NSF assets	18	(10)	8
Lease assets - office equipment	74	(53)	21

Owned assets Year ended 31 March 2008	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount 2007/08 R'000
Computer equipment	1 653	(1 134)	519
Office furniture and fittings	2 067	(1 022)	1 045
Office equipment	1 259	(753)	506
Motor vehicles	384	(252)	132
Balance at end of the year	5 363	(3 161)	2 202
Made up as follows:			
Owned assets	5 066	(2 934)	2 132
NSF assets	223	(190)	33
Lease assets - office equipment	74	(37)	37

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Movement summary 2009	Carrying amount 2007/08 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Accumulated Depreciationon disposals R'000	Carrying amount 2008/09 R'000
Computer equipment	519	325	(12)	(336)	12	508
Office furniture and fittings	1 045	212	-	(219)	-	1 038
Office equipment	505	142	(44)	(202)	28	429
Motor vehicles	133	-	-	(70)	-	63
Balance at end of the year	2 202	679	(56)	(827)	40	2 038

Movement summary 2008	Carryingamount 2006/07 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Accumulated Depreciationon disposals R'000	Carrying amount 2007/08 R'000
Computer equipment	699	216	(44)	(396)	44	519
Office furniture and fittings	1 099	145	-	(199)	-	1 045
Office equipment	435	244	(35)	(170)	31	505
Motor vehicles	203	-	-	(70)	-	133
Balance at end of the year	2 436	605	(79)	(835)	75	2 202

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net deficit for the period.

The MQA has reviewed the residual values and useful lives of all the items of property, plant and equipment. The review did not highlight any requirement for adjustments in the current or prior periods.

The impairment of all classes of property, plant & equipment was considered at year end and no impairment adjustments have been taken into account.

There are no restrictions on title of property, plant and equipment and no items have been pledged as security for liabilities except for items classified as finance leases and assets held on behalf of the NSF.

There are no commitments for the acquisition of property, plant and equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

8.2 INTANGIBLE ASSETS

Year ended 31 March 2009	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount 2008/09 R'000
Computer software	59	(39)	20
Balance at end of the year	59	(39)	20

Year ended 31 March 2008	Cost R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount 2007/08 R'000
Computer software	59	(20)	39
Balance at end of the year	59	(20)	39

Movement summary 2009	Carrying amount 2007/08 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Accumulated Depreciation on disposals R'000	Carrying amount 2008/09 R'000
Computer software	39	-	-	(19)	-	20
Balance at end of the year	39	-	-	(19)	-	20

Movement summary 2008	Carrying amount 2006/07 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Accumulated Depreciation on disposals R'000	Carrying amount 2007/08 R'000
Computer software	59	-	-	(20)	-	39
Balance at end of the year	59	-	-	(20)	-	39

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

9. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Note	2008/09 R'000	2007/08 R'000 (Restated)
Prepayments and Advances			
Non Current			
Deposits in respect of building		**215**	215
Current			
Prepayments		**85**	124
Deposits		**13**	13
Staff Advances		**22**	33
Interest receivable -MQA		**545**	320
Interest receivable - NSF		**12**	32
Closing balance		**677**	522

10. INVENTORY

		2008/09 R'000	2007/08 R'000
Printing consumable stores		**189**	44

11. TRADE AND OTHER RECEIVABLES FROM NON - EXCHANGE TRANSACTIONS

	Note	2008/09 R'000	2007/08 R'000
Interseta receivables	27	**613**	2,875
Administration		**76**	359
Employer grants		**379**	1 797
Discretionary grants		**158**	719
Mandatory grants receivables	11.1	**1 169**	675
Discretionary receivables		**188**	416
		1 970	3 966

11.1. Mandatory grants receivables

		2008/09 R'000	2007/08 R'000
Overpayment of mandatory grants to registered employers			
Overpayments to employers		**1 087**	1 019
Provision for doubtful debts		**-**	(344)
Net effect of SARS retrospective adjustments on affected employers		**1 087**	675
Mandatory grants receivable from other SETAs		**82**	-
		1 169	675

R1,087 million (2007/08:R 1,019 million was recognised as a receivable relating to actual overpayment of mandatory grants to employers in the reporting period. The MQA recovers such debts by withholding the overpayments from future grant payments. A provision for bad debts has not been raised in the current year as debtors have been informed that such overpayments will be witheld from future mandatory grants due to them, in 2007/08, R344 000 was provided for doubtful debts as the employers were no longer contributing levies to the MQA. R23 000 (2007/08 : R83 000) was written off as bad debts in the current year and the prior year provision was utilised in the write off.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

12. CASH AND CASH EQUIVALENTS

	2008/09 R'000	2007/08 R'000
Cash at bank and in hand	**447 590**	18 300
Cash at bank	**447 586**	18 296
Cash on hand	**4**	4
Short term investments/instruments	**5 406**	289 377
Cash and cash equivalents at end of year	**452 996**	307 677

Included in cash at bank is a current account with a balance of R228 000, (2007/08: R3.67 million) in respect of NSF funds received in advance. The funds were received from the National Skills Fund for the purposes of the Learnerships and Graduate Development Internship programme. The funds may not be used for any purposes except for this programme.

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

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

As the MQA was exempted by the National Treasury from the requirement of Treasury Regulation 31.3 to invest surplus funds with the Corporation for Public Deposits, surplus funds were deposited in an institution with an investment grade rating and in line with the investment policy as required by Treasury Regulation 31.3.5.

12.1 BORROWINGS/LOANS

In terms of PFMA section 66(3)(c), public entities may only through the Minister of Finance borrow money or, in the case of the issue of a guarantee, indemnity of security only through the Minister of Labour acting with the concurrence of the Minister of Finance.

In terms of Treasury Regulation 32.1.1, the MQA as schedule 3A public entities 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 year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

13. FINANCE LEASE OBLIGATIONS

	2008/09 R'000	2007/08 R'000
Non-current finance lease obligation (recoverable after 12 months)	-	17
Current finance lease obligation (recoverable within 12 months)	17	20
Finance lease obligation	17	37
Reconciliation between the total of the minimum lease payments and the present value:		
Up to 1 Year		
Future minimum lease payments	17	25
Finance cost	1	(5)
Present value	19	20
1 to 5 years		
Future minimum lease payments	-	19
Finance cost	-	(1)
Present value	-	17
Finance lease repayments for the year	20	16

Assets held under finance leases comprise a photocopier, has been capitalised and classified as office equipment under Property Plant & Equipment. The lease agreement was entered into in September 2005 for a period of 5 years and the interest rate implicit in the agreement is linked to the prime lending rate.

The interest rate implicit in the agreement, 19.51% (2007/08 : 19.01%) was used as a basis for estimating the finance costs.

14. RETIREMENT BENEFIT OBLIGATIONS

The MQA operates a defined contribution pension fund. Employees contribute 8% and the MQA 16%. The employees future benefits depend on the operating efficiency and investment earnings of the fund. Earnings of the fund were 27% (2007/08:27%).

15. GRANTS AND TRANSFERS PAYABLE

	Note	2008/09 R'000	2007/08 R'000
Grants payable			
Skills development grants payable - mandatory		88 827	64 489
Skills development grants payable - discretionary		83 941	27 716
SARS creditors	15.1	742	522
Administration		92	65
Mandatory		464	326
Discretionary		186	131
Interseta payables	27	-	69
Administration		-	8
Mandatory		-	42
Discretionary		-	19
		173 510	92 796

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

15.1 Provision for SARS creditors

	Administration provision	Mandatory grants provision	Discretionary grants provision	Total 2008/09 R'000	Total 2007/08 R'000
Open carrying amount	65	326	131	522	379
Amounts utilised	-	2	1	3	(13)
Change in estimate	27	136	54	217	156
Closing carrying amount	92	464	186	742	522

The provision for SARS creditors relates to levy contributions received during the year from employers that are exempted from SDL contributions as they are under the legislated threshold.

16. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2008/09 R'000	2007/08 R'000 (Restated)
Trade creditors	**1 832**	2 795
Project creditors	**2 813**	2 113
Trade creditors accruals	**386**	448
Operating lease payments due	**310**	403
Payroll creditors and accruals	**1 280**	1 111
NSF creditors	**-**	100
	6 621	6 970

17. GOVERNMENT GRANTS AND DONOR FUNDING

NATIONAL SKILLS FUND

	2008/09 R'000	2007/08 R'000
Opening balance	**2 580**	3 799
Draw downs and interest received	**6 101**	642
NSF funding received	**5 971**	264
Interest received	**130**	378
Utilised and recognised as revenue-conditions met	**(6 095)**	(1 861)
Learnerships & Internships	**(6 095)**	(1 861)
Unused funds paid back	**(108)**	-
Closing balance-Inc received in advance	**2 478**	2 580

During the current year R5,971 million (2007/08 : R264 000) was received from the National Skills Fund in respect of Learnerships and Internships. At year end, R2,478 million (2007/08:R2,580 million) continues to be accounted for as a liability until conditions for recognition as revenue have been met.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

18. PROVISIONS

	Employee Entitlements R'000	2008/09 TOTALS R'000	2007/08 TOTALS R'000
Open carrying amount	839	**839**	1 010
Amounts utilised	(965)	**(965)**	(998)
Change in estimate	973	**973**	827
Closing carrying amount	**847**	**847**	839

19. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET (DEFICIT)/SURPLUS

	Note	2008/09 R'000	2007/08 R'000
Net surplus as per statement of financial performance		**63 189**	55 308
Adjusted for non-cash items:			
Depreciation		**846**	856
(Gain)/loss on disposal of property, plant and equipment		**13**	2
Bad debts written off		**23**	84
Allowance for doubtful debts		**-**	1
Increase in provisions		**8**	(171)
Adjusted for items separately disclosed			
Investment income	4.1	**(39 268)**	(27 855)
Finance costs	7	**6**	9
Movement in special project funding		**(6 195)**	(1 761)
Adjusted for working capital changes:			
(Increase)/decrease in inventory	10	**(145)**	22
Decrease/(increase) in receivables	9 & 11	**2 023**	(1 758)
Increase/(decrease) in payables	15 & 16	**80 465**	25 646
Cash generated (utilised) in operations		**100 965**	50 383

20. CONTINGENCIES

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury. The MQA has applied to National Treasury for exemption from the forfeiture of funds based on existing commitments in respect of Learnership agreements, ABET training contracts, Bursary agreements, Universities Employment Equity grants that run over several years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

21. COMMITMENTS

21.1 Administration reserve

A balance of R2,058 million (2007/08 : R2,241) has been set aside in terms of the accounting policy as follows.

	Note	**2008/09 R'000**	2007/08 R'000
Net assets	8	**2,058**	2,241
Total Admin Reserve		**2,058**	2,241

21.2 Mandatory grant reserve

A balance of R1,605 million ; (2007/08 : R619 000) has been set aside in terms of the accounting policy.

21.3 Discretionary reserve

Of the balance of 270,969 million (2007/08 : restated R208,583 million) available in the discretionary reserve at the end of March 2009, R200,236 million (2007/08 : R153,328 million) has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the Statement of Financial Performance, are indicated as utilised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

COMMITMENTS

		Opening balance 2007/08 R'000	Reallocations approved by Accounting Authority R'000	Utilised R'000	Opening balance 2008/09 R'000	Reallocations approved by Accounting Authority R'000	Utilised R'000	TOTAL R'000
TOTAL COMMITMENTS NSDS 2		**93,288**	**169,424**	**(109,384)**	**153,328**	**208 852**	**(170 872)**	**191,305**
OBJECTIVE 1:		**-**	**508**	**(508)**	**-**	**2,045**	**(2,045)**	**-**
Indicator 1.1	Skills Development Research & Impact Analysis	-	-	-	**-**	**91**	**(91)**	**-**
	Skills Audit Project	-	-	-	**-**	**139**	**(139)**	**-**
Indicator 1.2	Career Information Booklets	-	-	-	**-**	**771**	**(771)**	**-**
	Levy grant participation improvement	-	10	(10)	**-**	**-**	**-**	**-**
	Skills Development Facilitator Support	-	498	(498)	**-**	**1,007**	**(1,007)**	**-**
	Company Training Committee Support	-	-	-	**-**	**37**	**(37)**	**-**
OBJECTIVE 2:		**45,417**	**110,234**	**(71,777)**	**83,874**	**79 572**	**(101,234)**	**62,212**
Indicator 2.1	Company MIS Support	-	-	-	**-**	**1,095**	**(414)**	**681**
Indicator 2.2	(Combined with Indicator 2.1)	-	-	-	**-**	**-**	**-**	**-**
Indicator 2.3	None	-	-	-	**-**	**-**	**-**	**-**
Indicator 2.4	National standard of good practice	-	-	-	**-**	**336**	**(336)**	**-**
Indicator 2.5	Ex- miners skills development	-	1,000	(900)	**100**	**978**	**(1,078)**	**-**
	BEE Firms & BEE Co-ops Support	-	-	-	**-**	**993**	**(524)**	**469**
	Small scale miners technical support	-	1,501	(1,501)	**-**	**3,523**	**(3,104)**	**419**
Indicator 2.6	None	-	-	-	**-**	**-**	**-**	**-**
Indicator 2.7	ABET grants.	26,927	(3,441)	(10,001)	**13,485**	**23,324**	**(18,847)**	**17,962**
	ABET Practitioner Learnerships	-	930	(930)	**-**	**-**	**-**	**-**
	International Literacy Week	-	-	-	**-**	**440**	**(440)**	**-**
Indicator 2.8	Learnerships & Apprenticeships Grants	18,490	110,244	(58,445)	**70,289**	**43,584**	**(74 871)**	**39,002**
	RPL Assessment (Artisans)	-	-	-	**-**	**445**	**-**	**445**
	Upskill ETD Practitioners to deliver FLC	-	-	-	**-**	**854**	**(854)**	**-**
	Jewellery Industry Support	-	-	-	**-**	**2,000**	**(766)**	**1,234**
	Diamond Industry Support	-	-	-	**-**	**2,000**	**-**	**2,000**
OBJECTIVE 3:		**-**	**3,470**	**(1,404)**	**2,066**	**3,511**	**(5,017)**	**560**
Indicator 3.1	None	-	-	-	**-**	**-**	**-**	**-**
Indicator 3.2	Beneficiation Support	-	2,500	(500)	**2,000**	**1,000**	**(2,440)**	**560**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

COMMITMENTS

		Opening balance 2007/08 R'000	Reallocations approved by Accounting Authority R'000	Utilised R'000	Opening balance 2008/09 R'000	Reallocations approved by Accounting Authority R'000	Utilised R'000	TOTAL R'000
	Non Levy Paying Enterprise, NFGO, CBO Support	-	-	-	**-**	**500**	**(500)**	**-**
	Women in Mining Support	-	1,000	(934)	**66**	**2,011**	**(2,077)**	**-**
	CLAS subsector skills development	-	(30)	30	**-**	**-**	**-**	**-**
Indicator 3.3	None	-	-	-	**-**	**-**	**-**	**-**
OBJECTIVE 4:		**47,871**	**52,094**	**(32,634)**	**67,331**	**116,432**	**(56,167)**	**127,596**
Indicator 4.1	Universities Employment Equity grant	7,560	3,902	(3,902)	**7,560**	**23,188**	**(4,466)**	**26,282**
	Graduate Development Programme (GDP).	-	1,386	(329)	**1,057**	**18,891**	**(2,963)**	**16,985**
	NSF Co-projects - Learnerships & GDP	10,540	167	(1,267)	**9,440**	**25**	**(4,480)**	**4,985**
	MQA HET Bursary Scheme	7,769	21,355	(9,678)	**19,446**	**66,524**	**(15,357)**	**70,613**
Indicator 4.2	MQA HET Practical Training	11,654	32,033	(14,518)	**29,169**	**1,671**	**(22,109)**	**8,731**
Indicator 4.3	New Venture Creation Project (NVC)	10,348	(6,749)	(2,940)	**659**	**6,133**	**(6,792)**	**-**
OBJECTIVE 5:		**-**	**3,118**	**(3,061)**	**57**	**7,289**	**(6,409)**	**937**
Indicator 5.1	FET Support (2)	-	597	(597)	**-**	**91**	**(91)**	**-**
	ISO 9001 Grant	-	200	(200)	**-**	**720**	**(720)**	**-**
	ISOE Recognition Award	-	-	-	**-**	**150**	**(150)**	**-**
Indicator 5.2	None	-	-	-	**-**	**-**	**-**	**-**
Indicator 5.3	Assessor & Moderator Registration	-	350	(350)	**-**	**602**	**(78)**	**524**
	PDA Standardised Assessment Guides Development	-	300	(243)	**57**	**179**	**(236)**	**-**
	Certification Verification	-	-	-	**-**	**486**	**(73)**	**413**
	Standard setting grant	-	1,205	(1,205)	**-**	**1,712**	**(1,712)**	**-**
	Unit standards and qualifications registration	-	550	(550)	**-**	**427**	**(427)**	**-**
	Learning Materials development grant	-	(84)	84	**-**	**2,922**	**(2,922)**	**-**
Indicator 5.4	None	-	-	-	**-**	**-**	**-**	**-**
OTHER LEGISLATIVE COMMITMENTS		**-**	**-**	**-**	**-**	**9,100**	**(169)**	**8,931**
Mine Health & Safety Act	OHS Rep Training	-	-	-	**-**	**9,100**	**(169)**	**8,931**
TOTAL COMMITMENTS		**93,288**	**169,424**	**(109,384)**	**153,328**	**217,952**	**(171,041)**	**200,236**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

21.4 Operating Leases

Total of future minimum lease payments under non-cancellable leases:

	2008/09 R'000	2007/08 R'000 Restated
Not later than one year	**1,845**	1,784
Later than one year and not later than five years	**455**	2,300
Later than five years	**-**	
	2,300	4,084

The operating lease relates to the building premises; 4th and 5th floor 74-78 Marshall Street used for office accommodation. The lease agreement entered into effective 1 July 2004 and renegotiated on 1 July 2005 will be operational for a period of five years, expiring on 30 June 2010. No provision was made for an option to renew the lease on expiry. The rental payments escalate annually on 1 July by 9%.

22. PRIOR PERIOD ERRORS

22.1 Reclassification of accrued leave

Whereas in the previous financial years we considered leave pay as a provision because of the uncertainty in timing and amount that would be payable in the future, the auditors have revised the interpretation of leave due as an accrual and not a provision. The overal impact of the error is a reclassification of leave pay from provisions to trade and other payables from exchange transactions, both liabilities in the balance sheet, comparatives have been restated accordingly.

	2007/2008 R'000	Prior years Cummulative
Decrease in provisions	**(1,111)**	(3,467)
Increase in trade and other payables from exchange transactions	**1,111**	3,467
Impact on reserves	**-**	-

22.2 Restatement of operating lease obligations

During the current financial year it was discovered that the calculations in respect straignt lining of operating leases were mistated in the previuos financial years. The overall impact of the error was that the previously reported operating lease expenses were understated, reserves overstated and operating lease liabilities understated.

The impact of correction of the error is a decrease of R357 000 in administration reserves and a corresponding transfer to discretionary grants reserves at 01 April 2007.

The impact of correction of the error on comparative figures (2007/2008) is an increase of R193 000 in administration expenses (operating lease rentals - buildings) and a corresponding increase in trade and other payables from exchange transactions (operating lease payments due).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

23 MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

To the best of our knowledge, no material losses through criminal conduct, or irregular, fruitless and wasteful expenditure were incurred during the year ended 31 March 2009 except as indicated under the relevant heading below.

Material losses through criminal conduct:
None

Irregular expenditure for current year
None

Irregular expenditure relating to prior year
None

Fruitless and wasteful expenditure
Included in the administration expenditure is interest and penalties of two hundred and twenty five rands (R225) in respect of a late payment of a television licence to the SABC.

24 EVENTS AFTER REPORTING DATE

None

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 interest rate risk and the effective interest rates on the financial instruments at reporting date are as follows

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

	Floating rate		Fixed Rate			Non-interest bearing		
	Amount R'000	Effective interest rate	Amount R'000	Weighted average effective interest rate %	Weighted average period for which the rate is fixed in years	Amount R'000	Weighted average period untilmaturityin years	TOTAL R'000
Year ended 31 March 2009								
Assets								
Investments								-
Loans	-	-	-	-	-	-	-	-
Cash	**452 992**	**11%**				**4**	-	**452 996**
Accounts receivable	-	-	-		-	**892**	**1 year**	**892**
Total financial assets	**452 992**	**11%**	-	-	-	**896**		**453 888**
Liabilities								
Borrowings	-							-
Liabilities								
Accounts payable	**(19)**					**(6 621)**	**0,8 years**	**(6 640)**
Bank overdraft	-							-
Total financial liabilities	**(19)**	-	-	-	-	**(6 621)**		**(6 640)**
	452 973					**(5 725)**		**447 248**
Year ended 31 March 2008								
Assets								-
Cash	307 672	10%				4		307 676
Accounts receivable	-	-	-	-	-	735		735
Total financial assets	307 672	0	-	-	-	739		308 411
Liabilities								
Accounts payable	(37)					(6 971)	0,8 years	(7 008)
Bank overdraft								
Total financial liabilities	(37)	-	-	-	-	(6 971)	-	(7 008)
	307 635		-			(6 232)		301 403

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Credit risk

Financial assets, which potentially subject the SETA 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 institution 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

	2008/09		2007/08	
	Gross	Impairment	Gross	Impairment
Not past due	-	-	-	-
Past due 0 - 30 days	-	-	2 875	-
Past due 31 - 120 days	1 970	-	1 091	-
Past due 1 year	-	-	-	-

Cash & cash equivalents

	2008/09		2007/08	
	Gross	Impairment	Gross	Impairment
Not past due	452 996	-	307 677	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 1 year	-	-	-	-

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 cashflows and its cash management policy. Adequate reserves and liquid resources are also maintained.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

	2008/09					
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Trade and other payables from exchange transactions	(6 621)	(6 621)	(6 621)	-	-	-

	2007/08					
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
Trade and other payables from exchange transactions	(5 456)	(5 456)	(5 456)	-	-	-

Market risk

The MQA is exposed to fluctuations in the employment market for example sudden increases in unemployment and changes in the wage rates. No significant events occurred during the year that the MQA are aware of except for the impact of the country's electricity crisis that may result in the shrinking of employment and a reduction is skills development levy income in the future.

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 1 month. The carrying amount of these assets approximates their fair value.

Accounts receivable

The carrying amount of accounts receivable, net of allowance for bad debt, 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

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). The fair value of interest-bearing borrowings with variable interest rates approximates their carrying amounts.
- 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 approximates their carrying amounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Accounts payable

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

26 NEW ACCOUNTING PRONOUNCEMENTS

At the date of authorisation of these financial statements there are Standards and Interpretations in issue but not yet effective. These include the following Standards and Interpretations that are applicable to the MQA and may have an impact on future financial statements.

		Effective date, commencing on or after
GRAP 4	The Effects of changes in Foreign Exchange Rates	‘01 April 2009
GRAP 5	Borrowing Costs	‘01 April 2009
GRAP 6	Consolidated and Separate Financial Statements	‘01 April 2009
GRAP 7	Investments in Associate	‘01 April 2009
GRAP 8	Interest in Joint Ventures	‘01 April 2009
GRAP 9	Revenue from exchange transactions	‘01 April 2009
GRAP 10	Financial Reporting in Hyperinflationary Economies	‘01 April 2009
GRAP 11	Construction Contracts	‘01 April 2009
GRAP 12	Inventories	‘01 April 2009
GRAP 13	Leases	‘01 April 2009
GRAP 14	Events after the reporting date	‘01 April 2009
GRAP 17	Property, plant and equipment	‘01 April 2009
GRAP 18	Segment Reporting	‘01 April 2009
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets	‘01 April 2009
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)	‘01 April 2009
GRAP 24	Presentation of Budget Information in Financial Statements	‘01 April 2009
GRAP 100	Non current assets held for sale and discontinued operaions	‘01 April 2009
GRAP 101	Agriculture	‘01 April 2009
GRAP 102	Intangible assets	‘01 April 2009

The MQA shall apply Standards of GRAP for annual financial statements covering periods beginning on or after a date to be determined by the Minister of Finance in a regulation to be published in accordance with section 91(1)(b) fo the PFMA. This date has not yet been published as at the date of this set of financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

GRAP 4 : The Effects of changes in Foreign Exchange Rates

The Standard prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency in instances where it has transactions in foreign currency, has foreign operation or receives foreign donor funding. The principal issues are which exchange rate(s) to use and how to report the effects of changes in exchange rates in the financial statements. It is not expected that this Standard will significantly impact future disclosures due to the legislative limitations on its operations and limited volume of foreign transactions that the MQA is expected to account for.

GRAP 5 : Borrowing costs

This Standard prescribes the accounting treatment for borrowing costs and generally requires an entity to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Standard also permits, the expensing of borrowing costs where it is inappropriate to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Other borrowing costs are recognised as an expense. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of qualifying assets that the MQA is expected to account for.

GRAP 6 : Consolidated and Separate Financial Statements

The Standard prescribes the circumstances in which consolidated and separate financial statements are to be prepared and the information to be included in those financial statements so that the consolidated financial statements reflect the financial performance, financial position and cash flows of an economic entity as a single entity. It is not expected that the Standard will significantly impact future disclosures due to the nature of the entity and limited chances that it will control other entities.

GRAP 7 : Investments in Associate

This Standard prescribes the accounting treatment for investments in associates where the investment in the associate leads to the holding of an ownership interest in the form of a shareholding or other formal net asset structure. This Standard generally requires that investments in associates should be accounted for in consolidated financial statements of the investor by using the equity method only when an investor has significant influence in participating in the financial and operating policies of the associate. The Standard prescribes the circumstances in which investors should use the equity method, how the equity method is to be applied and requires certain disclosures in respect of investments in associates. It not expected that this Standard will significantly impact future disclosures due to the legislative limits on how it should invest its funds.

GRAP 8: Interest in Joint Ventures

The Standard prescribes the accounting treatment of jointly controlled operations, jointly controlled assets and jointly controlled entities and provides alternatives for the recognition of interests in jointly controlled entities. It also sets out the disclosure requirements of interests in jointly controlled entities. The Standard requires an entity to recognise interests in a jointly controlled entity by using either the proportionate consolidation or the equity method. The Standard also stipulates the requirements to recognise gains or losses arising from a venturer contributing or selling or purchasing of assets to/from a joint venture. It is not expected that this Standard will significantly impact future disclosures due to the limited nature and volume of joint venture that the MQA may into.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

GRAP 9 : Revenue from exhange transactions

The Standard provide additional South African public sector specific examples of revenue transactions, however, it does not significantly differ from IAS 29 (AC111) - Revenue. It is not expected that this Standard will significantly impact future disclosures due to the limited nature and volume of exchange transactions for which the MQA is expected to account for.

GRAP 10 : Financial Reporting in Hyperinflationary Economies

The Standard applies to entities that operate in hyperinflationary economies and gives examples of indicators for a hyperinflationary economy. The Standard prescribes that entities whose functional currencies are currencies of a hyperinflationary economy shall state their Financial Statement at measuring unit prevailing at the reporting date and restate the comparatives at measuring unit prevalent at the reporting date. It is not expected that this Standard will significantly impact future disclosures as there is currently no reason to beleive that the economy will be hyperinflationary in the near future.

GRAP 11 : Construction Contracts

The Standard prescribes the accounting treatment of costs and revenue associated with construction contracts. It is not expected that the Standard will significantly impact future disclosures due to the limited nature and volume of contruction contracts transaction that the MQA is expected to account for.

GRAP 12 : Inventories

The Standard provide additional guidance on the recognition and the initial measurement of inventories, including recognising inventories acquired at no cost, or for nominal consideration, at fair value as at the date of acquisition. It is not expected that this Standard will significantly impact future disclosures due to the limited nature and volume of inventory for which the MQA is expected to account for.

GRAP 13 : Leases

The standard clarifies that the leases standard should still be applied even where legislation may prohibit an entity from entering into certain types of lease agreements. It further adds an additional requirement to disclose the depreciation and finance charge relating to the leased asset under accounted for as a finance lease by the lessee.

GRAP 14 : Events after the reporting date

The Standard prescribes when an entity should adjust its financial statements for events after the reporting date and the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the reporting date. The Standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting date indicate that the going concern assumption is not appropriate. It is not expected that the Standard will significantly impact future disclosures due to its similarity to IPSAS 14 & IAS 10 - Events after the Reporting Date except for some terminology changes.

GRAP 17 : Property, plant and equipment

On initial application, the Standard requires that assets which were acquired at no cost, or for a nominal cost, are accounted for at their fair values at at the date of acquisition. This treatment is different to the current treatment which accounts for such assets at cost. We do not expect this to significantly impact the carrying value of assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

GRAP 18 : Segment Reporting

The Standard establishes principles for reporting financial informtion by segments. It is not expected that the standard will significantly impact future disclosure due to the limited nature and volume of transactions for which the MQA is expected to account for.

GRAP 23 : Revenue from Non-exchange Transactions (Taxes and Transfers)

The Standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. The Standard deals with issues that need to be considered in recognising and measuring revenue from non-exchange transactions, including the identification of contributions from owners. It is not expected that the the standard will significantly impact future disclosures as current practice is within the requirements of the standard.

GRAP 24 : Presentation of Budget Information in Financial Statements

The Standard prescribes the presentation of a comparison of budget and actual amounts in the financial statements of entities that are publicly accountable for the use of their funds. The presentation may be in the form of additional financial statement or additional budget columns in their financial statements. The standard will significantly impact future disclosures as budget information will be presented, compared with actuals and explanations of material differences will be made.

GRAP 100 : Non-Current Assets Held for Sale and Discontinued Operations

The Standard provides public sector examples and refer to non-cash generating assets that are relevant to the public sector, however, it does not significantly differ from IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations. It is not expected that this Standard will significantly impact future disclosure due to the limited nature and volume of such transactions for which the MQA is expected to account for.

GRAP 101 : Agriculture

The Standard prescribes the accounting treatment, financial statement presentation and disclosures related to agricultural activity. It is not expected that the standard will significantly impact future disclosure due to the limited nature and volume of such transactions which the MQA is expected to account for.

GRAP 102 : Intangible assets

The Standard is drawn primarily from the International Accounting Standard on Intangible Assets (IAS 38). The Standard provide additional public sector examples and also expands the identifiability criterion in the definition of an intangible asset to include contractual rights arising from binding arrangements, and to exclude rights granted by statute. The Standard will aslo require, where an intangible asset is acquired at no cost or for a nominal consideration, that its cost is recorded as its fair value as at the date it is acquired.

Guidance on web site costs, together with an appendix to illustrate the relevant accounting principles has been included in this Standard from SIC Interpretation 32 - Intangible Assets - Web site costs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

27 RELATED PARTY TRANSACTIONS

Transactions with other SETAs

Interseta transactions and balances arise due to the movement of employers from one SETA to another and mandatory grants due from the SETA to which the MQA contributes its levies and submits its WSP & ATR. No other transactions occurred during the year with other SETAs.

The balances at year-end included in receivables and payables are:

	Note	Amount receivable/ (payable) 2008/09 R'000	Transfers in/(out) during the year 2008/09 R'000	Amount receivable/ (payable) 2007/08 R'000	Transfers in/(out) during the year 2007/08 R'000
Receivables	**11**	**695**	**1 710**	**2 875**	**2 878**
ETDP SETA		82	-	-	-
FASSET		-	49	216	216
SERVICES SETA		613	1 661	2 659	2 661
MAPPP SETA		-	-	-	1
Payables	**15**	**-**	**(1 271)**	**(70)**	**(70)**
MERSETA		-	-	(70)	(70)
W&R SETA		-	(1 181)	-	-
ISETT		-	(90)	-	-
Total		**695**	**439**	2 805	2 808

Transactions with employer companies represented at the MQA Board

- Board members do not receive allowances for attending Board Meetings
- Board members may claim travel expenses incurred as a result of attendance of MQA meetings
- The companies listed below contribute their levies under the same legislative provisions applicable to all MQA registered employers
- The companies claim their grants and their grants approvals are based on the same legislative and MQA approval processes applicable to all employers that claim grants from the MQA.
- The grant amounts paid to these companies are based on the same legislative and MQA grant amounts applicable to all employers that claim grants from the MQA and are paid on the same terms as are applicable to all other MQA registered employers.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

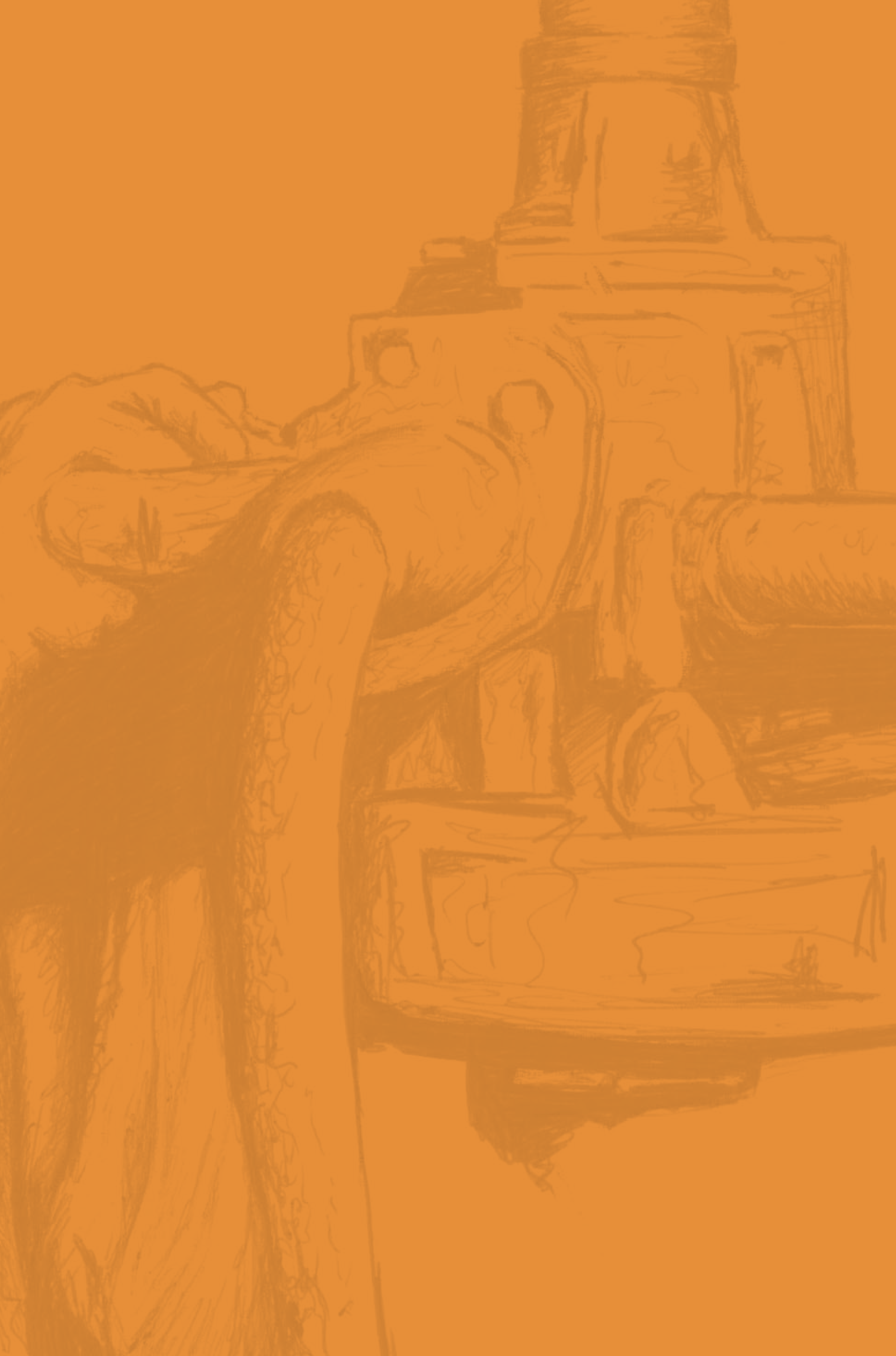
Company represented	Board member	Levies Received 2008/09 R'000	Grants Paid 2008/09 R'000	Grants Payable 2008/09 R'000	Grants overpaid 2008/09 R'000
National Union of Mineworkers	A Teteme, Z Tantsi & E Majadibodu, A Tshangase	-	-	-	-
Chamber of Mines	V. Mabena	230	3,179	45	-
Anglo Gold Ashanti	G.J. Brokenshire	30,992	20,851	5,368	-
Harmony Gold Mine	J. Mathebula	32,882	22,372	5,685	1
Anglo Platinum	A.G.W. Knock	5,321	1,837	-	-
Vukuzenzele Placement, Karona Trading 501	P Ngqeleni	-	33	-	-
		69,425	48,272	11,098	1

Company represented	Board member	Levies Received 2007/08 R'000	Grants Paid 2007/08 R'000	Grants Payable 2007/08 R'000	Grants overpaid 2007/08 R'000
National Union of Mineworkers	A Teteme, Z Tantsi & E Majadibodu, A Tshangase	-	-	-	-
Chamber of Mines	V. Mabena	228	4,185	13	-
Anglo Gold Ashanti	G.J. Brokenshire	27,058	24,989	2,122	-
Harmony Gold Mine	J. Mathebula	33,364	36,116	2,980	2
Anglo Platinum	A.G.W. Knock	53,691	35,103	1,747	-
Virgile Mining Contractors	P Ngqeleni	-	-	-	-
		114,341	100,393	6,862	2

Transactions with other national public entities

	Amount Received 2008/09 R'000	Amount Paid 2008/09 R'000	Amount Payable 2008/09 R'000	Amount Receivable 2008/09 R'000
National Skills Fund	5 971	108	2 479	-
Telkom	-	184	19	
Total	5 971	292	2 498	-

	Amount Received 2007/08 R'000	Amount Paid 2007/08 R'000	Amount Payable 2007/08 R'000	Amount Receivable 2007/08 R'000
National Skills Fund	-	-	2 580	-
Telkom	-	199	15	-
Total	-	199	2 595	-



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Design and Layout
www.blackmoon.co.za

RP110/2009
ISBN: 978-0-621-38648-6

labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

MINING QUALIFICATIONS AUTHORITY