ANNUAL REPORT 2009-2010

Digging with Skills and Knowledge



A decade of skills success and achievement in the mining and minerals sector

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MQA
MINING QUALIFICATIONS AUTHORITY

Acronyms

ABET	Adult Basic Education and Training
AFS	Annual Financial Statements
AIDS	Acquired Immune Deficiency Syndrome
AQP	Assessment Quality Partner
ATR	Annual Training Report
BEE	Black Economic Empowerment
BOTA	Botswana Training Authority
CBO	Community Based Organisation
CEO	Chief Executive Officer
CEP	Communities of Expert Practice
CFO	Chief Financial Officer
CLAS	Cement, Lime, Aggregates and Sand
COO	Chief Operations Officer
DHET	Department of Higher Education and Training
DMR	Department of Mineral Resources
DoF	Department of Finance
DoL	Department of Labour
DQP	Development Quality Partner
DVD	Digital Versatile Disc
ECSA	Engineering Council of South Africa
EMCS	Executive Manager Corporate Services
EPP	Executive Preparation Programme
ETD	Education, Training and Development (Practitioners)
ETQA	Education and Training Quality Assurance
EXCO	Executive Committee
FETC	Further Education and Training Certificate
FETs	Further Education and Training (Colleges)
FLC	Foundational Learning Competence
H&S	Health and Safety
HDI	Historically Disadvantaged Individuals
HDSA	Historically Disadvantaged South Africans
HRDSA	Human Resource Development South Africa
HSRC	Human Sciences Research Council
ISDF	Independent Skills Development Facilitator
ISO	International Standards Organisation
MHS	Mine Health and Safety
MHSA	Mine Health and Safety Act
MHSC	Mine Health and Safety Council
MIS	Management Information Systems
MMS	Mining and Minerals Sector
MoU	Memorandum of Understanding
MQA	Mining Qualifications Authority
NC	National Certificate
NGO	Non Governmental Organisations
NLRD	National Learner Record Database
NQF	National Qualifications Framework
NSA	National Skills Authority
NSB	National Skills Body
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NUM	National Union of Mineworkers
NVC	New Venture Creation
OFO	Organising Framework for Occupations
OHS	Occupational Health and Safety
PDI	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
PSDF	Provincial Skills Development Forum
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SADC	South African Development Community
SAQA	South African Qualifications Authority
SDA	Skills Development Act,1998 (Act 97 of 1998)
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SGB	Standards Generating Body
SME	Small, Micro Enterprise
SMME	Small, Micro, Medium Enterprise
SQCG	Standards and Qualifications Co-ordinating Group
SSP	Sector Skills Plan
TRG	Technical Reference Group
WSP	Workplace Skills Plan

higher education & training

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ANNUAL REPORT 2009/2010

Digging with Skills and Knowledge

Honourable Minister, it is with pleasure that we present to you the Annual Report of the Mining Qualifications Authority (MQA) for the financial year 1 April 2009 to 31 March 2010.



Dr Bonginkosi "Blade" Nzimande
Minister of Higher Education and Training



Mr Thabo Gazi
Chairperson

MINING QUALIFICATIONS AUTHORITY



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.

Strategic Objectives

1. Transformation of the sector through skills development;
2. Health and safety training and development;
3. The development of our current workforce and new entrants to the labour market;
4. Re-skilling of employed/unemployed people for sustainable employment;
5. The delivery of quality training and development.

Values

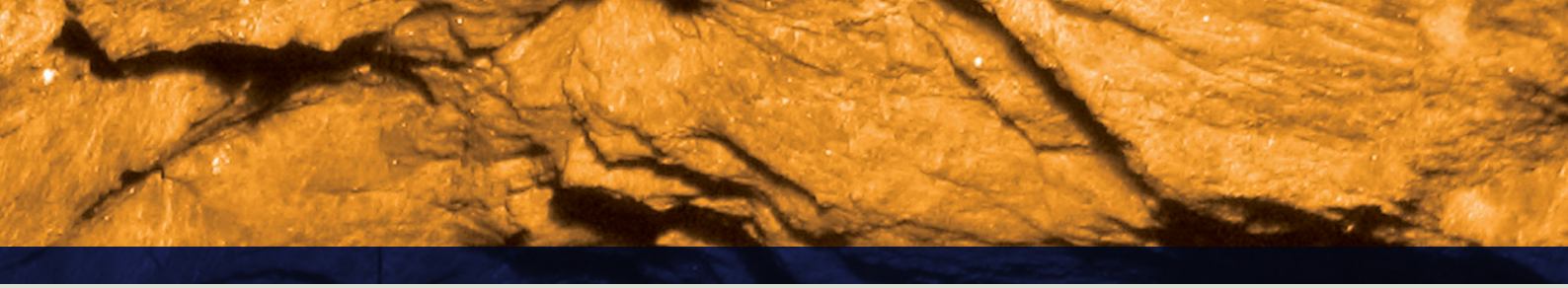
The MQA subscribes to the following values:

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

The skills development legislative landscape in the mining and minerals sector

Department of Mineral Resources (DMR)	Department of Higher Education & Training (DHET)	Department of Finance (DoF)
Mine Health and Safety Act MHSA 1996 Section 10 (2008) WSP/ATR Mandatory	Mining Qualifications Authority (MQA) Established in 1996 in terms of MHSA Recognised by Skills Development Act in 2003	Tax Act, Section 12H Learnership Allowances
		Skills Development Levies Act (SDLA) 1998
Mineral & Petroleum Resources Development Act (MPRDA) 2002	Skills Development Act 1997 Higher Education Act 1997 National Student Financial Aid Scheme Act 1999 Adult Basic Education & Training Colleges Act 2006 National Qualifications Framework Act 2008	Purpose: SARS is the collection agency for skills levies for implementation of the Skills Development Act
Social Labour Plan		
REGULATIONS:	REGULATIONS:	REGULATIONS:

The diagram above reflects the most important and relevant legislative mandates under which the MQA operates, as well as the interaction across the mandates.



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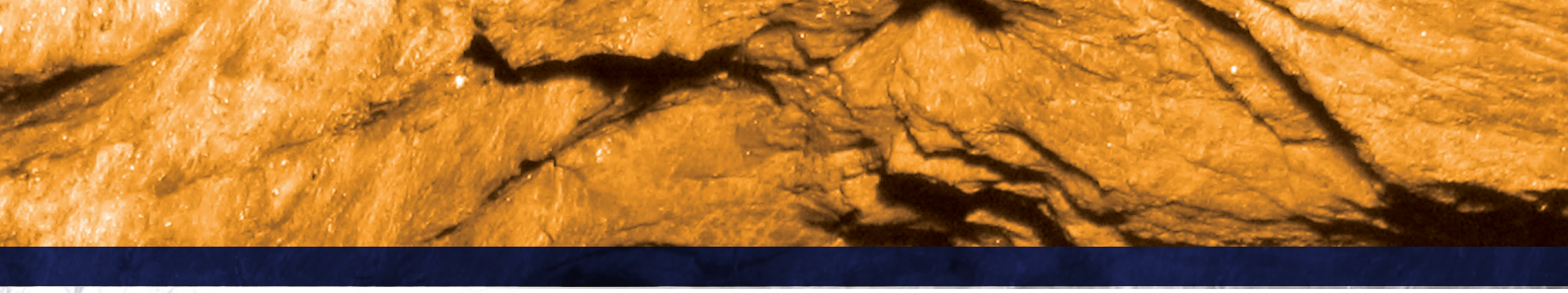



Section 1: General Information

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Thabo Gazi

1.1. Strategic Overview by the Chairperson

On behalf of the Board of the Mining Qualifications Authority (MQA), it is an honour for me to present this annual report for the period 1 April 2009 to 31 March 2010 to the Minister of Higher Education and Training; Dr Blade Nzimande, the Minister of Mineral Resources; Ms Susan Shabangu and our industry stakeholders. The report reflects on the milestones against our strategic objectives with the ultimate goal of skilling the mining and minerals sector workforce.

I am particularly proud to be associated with an organisation such as the MQA because of its underlying developmental role in the mining and minerals sector. The MQA has contributed considerably to skills development. I would like commend their ongoing efforts in ensuring that in line with the scarce and critical skills required, they contribute to developing and maintaining the valuable skills that this sector needs. I also applaud the MQA for their sterling work in contributing to occupational health and safety in the mines. Without their proactive approach as well as the loyal committee members, this sector would not achieve the objectives that it has set for itself.

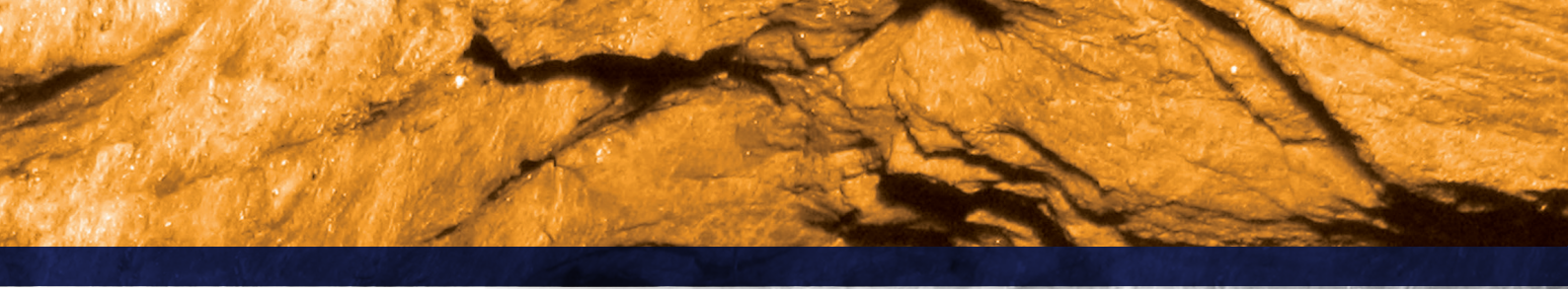
The board has agreed on the following five key strategic goals:

1. Transformation of the sector through skills development;
2. Health and safety training and development;
3. The development of our current workforce and new entrants to the labour market;
4. Re-skilling of employed/unemployed individuals for sustainable employment;
5. The delivery of quality training and development.

The MQA Board is satisfied with the performance of the MQA against the targets in the National Skills Development Strategy (NSDS). The MQA achieved a rating of 4.5 against a target of 5. This was a marked improvement in comparison with 3.9 in the previous financial year. In line with the deliverables that it has set for itself, the MQA made notable contributions towards the provisions of the Basic Socio Economic Empowerment Charter (Mining Charter) and the Mineral and Petroleum Resources Development Act of 1996.

Monumental strides have been achieved in strategic programmes such as the Mine Inspector Training aimed at the development of qualified inspectors that are a real scarcity in the mines. The Bursary and Practical Training Scheme has also contributed positively in the sector as this has created a pool from which mines can source skilled employees. The Training Voucher Scheme introduced in 2009 was aimed at giving retrenched workers, mining communities, women, youth and people with disabilities an opportunity to be trained in mining related courses to ensure increased accessibility to opportunities in the mines. The MQA continues to promote its Learning Programmes, Adult Basic Education and Training as well as Internship Programmes. One cannot however overlook the fact that further advancement is plagued by the high levels of illiteracy in our sector and that the MQAs programmes must be strategically focused on continuing education towards the elimination of illiteracy. The Minister in the Department of Mineral Resources, Ms Susan Shabangu is committed to driving the skills agenda in the sector particularly the development of artisans to ensure skills retention and progression of employees in the mining sector. She is committed to ensuring minerals beneficiation for the empowerment of previously disadvantaged individuals in the sector.

The Management of the MQA is based on sound financial management practices. This is supported by our continuous unqualified audit reports from the Auditor-General. The cornerstone of the MQAs success is compliance with good corporate governance principles.



The minerals industry is a well-established and resourceful sector of the South African economy. It is South Africa's largest industry in the primary economic sector, followed by agriculture and has for centuries, been the leading world supplier of a range of minerals and mineral products of consistent high quality. However, without education and training there will be no progress in our sector. Equally, there will be a lack of socio-economic growth and transformation in our country. Even as we enter into our 16th year of democracy, we continue to be faced with enormous social and economic challenges, technological innovation and transfer, unemployment and poverty.

Adult education has emerged as the most important component of a comprehensive system in the context of a developmental state.

The Board would like to commend the MQA for increasing its efforts to reduce reserves and increase its grant disbursements during the financial year as this is an indication that the disbursements of funds for training is taking place as was intended by the Skills Development Act.

The Board held its strategic planning session on 20 and 21 January 2010. The session was aimed at ensuring that the MQA is delivering value added programmes to the industry and is strategically positioned for the announcement by the Minister of Higher Education and Training (DHET) of the new SETA landscape. Among some of the discussions at the session was the monitoring of achievements against targets contained in the annual service level agreement with the DHET. I am confident that the principles of the Balanced Scorecard introduced by the MQA prove to be very effective in monitoring progress.

Conclusion

On behalf of the MQA Board, I would like to thank the Honourable Minister of Higher Education and Training, Dr Blade Ndzimande and the Honourable Minister of Mineral Resources, Ms Susan Shabangu, who continue to make notable contributions to our sector. I acknowledge the valuable contribution that our stakeholders make. Without their consistent support, the MQA would not achieve the objectives that it has set out for the sector. The MQA would also not have achieved its goals without the commitment and support of the executives, management and committed staff.

The members of the MQA Board have dedicated themselves unselfishly and displayed professionalism in carrying out their duties. This has had a positive impact on the image of the MQA in the sector. I extend my sincere appreciation to the Board, Standing Committees and specifically the Audit Committee members in carrying out their duties at the MQA which have contributed to the overall success of the organisation.

Let us go on working together for the common good of the sector and the country as a whole in our pursuit and search for excellence as we develop our human capital.



Thabo Gazi
Chairperson of the MQA Board

31 May 2010

1.2. Board Members

State



Thabo Gazi
Department of Mineral Resources



Mthokozisi Zondi
Department of Mineral Resources



Dipalesa Mokoboto
Department of Mineral Resources



Pessy Mnisi
Department of Mineral Resources



Edson Ragimana
Department of Mineral Resources

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 Africa

Employers



Vusi Mabena
Chamber of Mines



Nokuhle Madolo
Isithebe Mining



Graham Brokenshire
AngloGold Ashanti

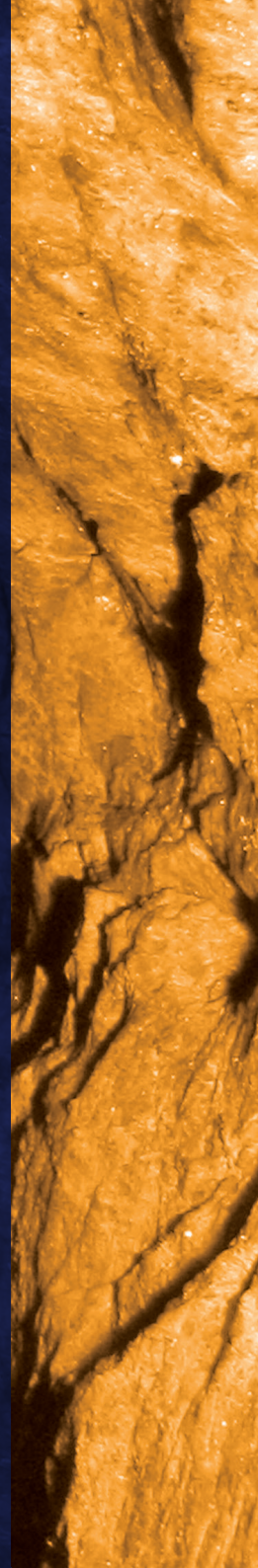


Jackie Mathebula
Harmony

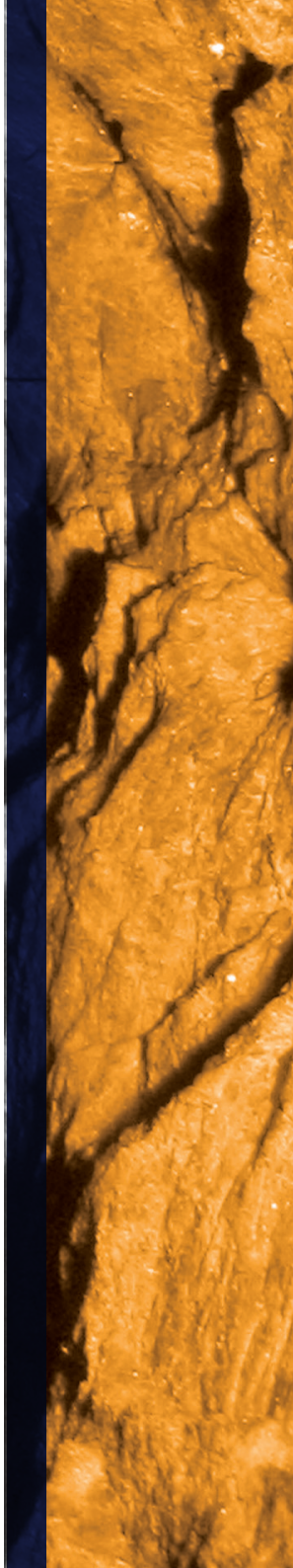


Patricia Ngqeleni
Virgile Mining Contractors

	NAME	FUNCTION	COMPOSITION	QUORUM	CHAIRPERSON	SECRETARY	MEETING
1	MQA Board	Accounting Authority policy, strategies and resource allocations.	Five representatives per stakeholder group present	Two stakeholder groups present	Chief Inspector of Mines	External service provider	Quarterly
2	MQA Executive Committee	Board-delegated tasks and management oversight.	CEO, COO, CFO and Executive Manager Corporate Services (EMCS)	Two conveners present	Chief Inspector of Mines	External service provider	Monthly
3	Audit and Risk Committee	Advises on the effectiveness of financial management systems and controls in terms of the PFMA.	Three external representatives, one representative per stakeholder group, representative from internal auditors, one representative from external auditors, CEO, COO, CFO and EMCS	Two stakeholders from different stakeholder groups and one external representative present	External representative	External service provider	Every second month
4	Skills Development Levy/Finance Committee	Advises on budget, financial control of projects and grants and levy grant disbursement.	Two representatives per stakeholder group, CEO, COO, CFO and EMCS	Two stakeholder groups present	Board member	External service provider	Every second month
5	Skills Planning and Research Committee	Advises on development and implementation of the Sector Skills Plan, administration of workplace skills plans and annual training report and grants, as well as unit projects and grants implementation.	Two representatives per stakeholder group and unit management	Two stakeholder groups present	Board member	External service provider	Every second month



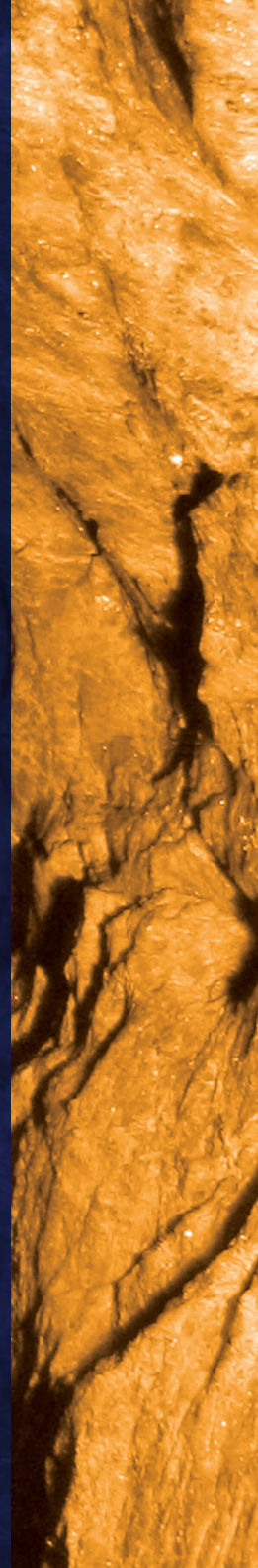
	NAME	FUNCTION	COMPOSITION	QUORUM	CHAIRPERSON	SECRETARY	MEETING
6	Standards Generating Body (SGB) Committee	Advises on development and registration of standards and qualifications, development of learning programmes, skills programmes, ratification of learning materials unit projects and grant implementation, and liaises with other SGBs.	Four representatives per stakeholder group, two representatives from the Standards and Qualifications Co-ordinating Group (SQCG) facilitators, four representatives from professional bodies, two representatives from providers, one representative from manufacturers, suppliers and unit management	51% of representatives	Board member	External service provider	Every second month
7	Learning Programmes Committee	Advises on learning programmes, skills programme registration, learning material development, apprentice administration, MQA-I-Share administration, and unit projects and grants implementation.	Two representatives per stakeholder group and unit management	Two stakeholder groups present	Board member	External service provider	Every second month
8	Quality Assurance Committee	Advises on quality assurance, accreditation, MoUs with SETAs, monitoring of learning provision, and unit projects and grants implementation.	Two representatives per stakeholder group and unit management	Two stakeholder groups present	Board member	External service provider	Every second month
9	REMCO	Oversees the implementation of a Remuneration Framework for the MQA	Three external representatives, one representative per stakeholder group. CEO, & EMCS	Two Stakeholders from Different Stakeholder Group & one External Representative Present	External Representative	External Service Provider	Quarterly



Board meeting attendance 2009-10

	CHAIRPERSON	ORGANISATION	CONSTITUENCY	MEETING DATES						TOTAL
				20 May 09	30 July 09	29 Oct 09	28 Jan 10	01 Apr 10	28 Mar 10	
1	T Gazi *	Department of Mineral Resources	State	✓	✓	✓	✓	✓	✓	6
	MEMBERS	**ORGANISATION**	**CONSTITUENCY**							
2	E Ragimana	Department of Mineral Resources	State	×	✓	×	×	×	×	1
3	D Mokoboto	Department of Mineral Resources	State	✓	✓	✓	✓	✓	✓	6
4	P Mnisi	Department of Mineral Resources	State	✓	✓	✓	✓	✓	✓	6
5	M Zondi	Department of Mineral Resources	State	✓	×	✓	✓	✓	✓	5
6	A Teteme *	National Union of Mineworkers	Labour	✓	✓	✓	✓	✓	✓	6
7	E Tantsi	National Union of Mineworkers	Labour	✓	×	✓	✓	✓	×	4
8	E Majadibodu	National Union of Mineworkers	Labour	×	×	×	✓	✓	×	2
9	R Samuel	United Association of South Africa	Labour	✓	×	✓	✓	✓	×	4
10	F Letlala	National Union of Mineworkers	Labour	×	×	×	×	✓	✓	2
11	V Mabena *	Chamber of Mines	Employers	✓	✓	✓	✓	✓	✓	6
12	GJ Brokenshire	AngloGold Ashanti	Employers	✓	✓	✓	✓	✓	✓	6
13	J Mathebula	Harmony	Employers	✓	✓	✓	✓	×	×	4
14	P Nqgeleni	Virgile Mining Contractors	Employers	×	✓	×	×	✓	×	2
15	N Madolo	Isithebe Mining	Employers	×	✓	×	×	×	×	2

*** Convenor of Stakeholder delegation**





Livhu Nengovhela

1.4. Operational Overview by the Chief Executive Officer

As we reach a decade in the implementation of the Skills Development Act, and more than 10 years under the Mine Health and Safety Act, I look back with pride at the achievements and progress that the Mining Qualifications Authority (MQA) has contributed to the sector with the support of our industry role players, namely the state, labour and employers. Although 2009-10 was a challenging year characterised by a stressed economy and retrenchments, as well as safety challenges in the mines, some significant gains were made in skills development in the sector.

This is the second last MQA annual report to be produced under the National Skills Development Strategy (NSDS) II and it is a great honour to report on our performance in the 2009-10 financial year against the targets set in the NSDS II and the MQA Mining Charter Support Strategy. The MQA along with other SETAs moved from the Department of Labour (DoL) to the Department of Higher Education and Training (DHET) with effect from 01 November 2009. The MQA welcomes this new reporting structure where a more co-operative approach will ensure that young people in our country develop their skills.

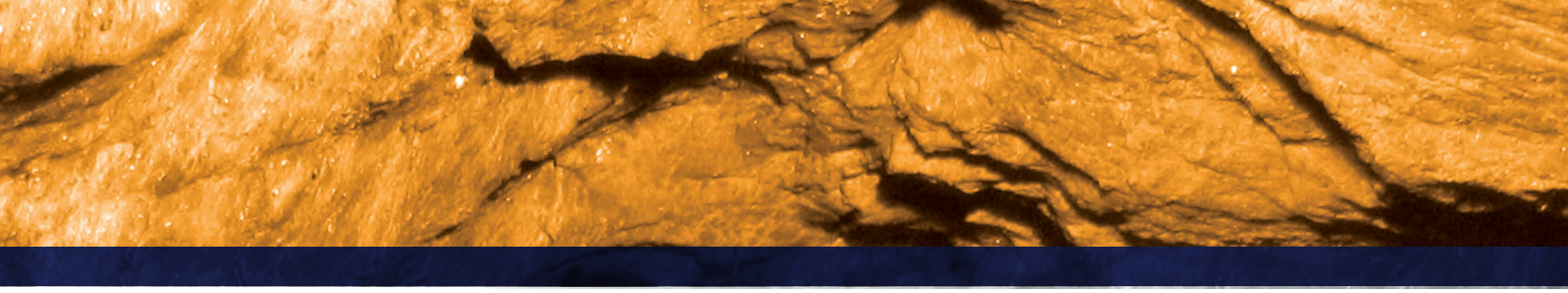
The MQA has continued to focus on its vision of building a competent health and safety mining orientated workforce for the benefit of the sector. Despite the decline in the economy during the last financial year and retrenchments in the mines, there was no notable decrease in the income of the MQA. The revenue in fact increased from R548 million in 2008-09 to R572 million in 2009-10. This is attributed to salary increases of staff in the mining sector and the increased financial contribution of companies submitting their workplace skills plans and annual training reports. The MQA also saw a reduction in its reserves due to the increased expenditure on its projects compared with previous years.

The MQA also received a performance rating of 4.5 out of a possible 5 by the DHET. The MQA is committed to improving its performance rating. We have also taken cognisance of the performance information tabled by the Auditor-General's report on page 81. Progressive internal steps have been taken to ensure readiness by the MQA for the next audit.

Sound financial management practices and compliance with good corporate governance have yet again enabled the MQA to receive an unqualified audit report from the Auditor-General. Our internal audit mechanisms are aligned to our aggressive approach towards eliminating fraud and corruption in the MQA. The pervasive and operational risks identified as part of the Board risk assessment workshop have been fully analysed and control measures implemented. A toll-free hotline managed by an external service provider is functional and is promoted to the sector through various communication mediums to support our fight against fraud and corruption.

The MQA increased its efforts to improve interaction with stakeholders through various initiatives such as roadshows, exhibitions, conferences and one-on-one meetings. The reciprocal partnerships built with the Diamond Council, Jewellery Council, South African Women in Mining and the Mine Health and Safety Council were accelerated. Ongoing efforts are being made to increase interaction with other associations in the sector.

The MQA Board approved a number of strategic projects totalling R258 million for the benefit of the sector. Increased emphasis on safety in mines and the training of mine inspectors was seen as fundamental towards increased safety in mines. An allocation of R29 million for the training of 40 000 health and safety representatives over five years has been approved. The bursaries and practical training scheme with 500 learners was allocated an amount of R80 million; Adult Basic Education and Training (ABET) R16 million; Learnerships R48 million; and skills development for small and medium enterprises R23 million.



The maths and science pilot project was allocated R2.5 million to support grade 12 learners from disadvantaged schools in rural communities. Five learners on the maths and science project were awarded mining related bursaries.

In total an amount of R571 million was disbursed through mandatory and discretionary projects and grants.

The MQA supported the implementation of the training layoff scheme. It was introduced to ensure that those who could lose their jobs are able to acquire new skills for better employment opportunities or portable skills where they can move to other economic sectors. The scheme presented an option for employers as an alternative to retrenchment. Although the uptake by employers was slow, the MQA will continue to support the scheme for the benefit of the sector.

The interaction between the MQA and Mine Health and Safety Council to execute decisions emanating from the Mine Health and Safety Tripartite Leadership Summit Agreement, aimed at addressing injuries and fatalities, improved during the year under review. The CEO's of both institutions are now ex officio members of their respective governing bodies aimed at strengthening cooperation.

The MQA engaged on matters such as the Quality Council for Trades and Occupations (QCTO), which was launched by the Minister of DHET on 23 February 2010. This resulted in our standards generation unit being hard at work to ensure alignment of our qualifications with associated unit standards registered on the NQF.

A total of 475 companies benefited from workplace skills plan and annual training report grants resulting in the disbursement of 146 WSP-ATR grants for large firms, 67 for medium firms and 262 for small firms. The pool of Independent Skills Development Facilitators (ISDFs) was also increased to ensure increased support for companies in the sector. Continued training and support was implemented for the ISDFs as well as the company based Skills Development Facilitators (SDFs) in all provinces.

The MQA analysed the workplace skills plans and annual training reports submitted manually by employers in order to identify the scarce and critical skills within the sector. This analysis showed that the greatest skills shortages during 2009-10 were in occupational categories such as technicians and trades workers, professionals and machine operators that clearly underlined the need to intensify training efforts to generate the skills required for the sector.

The MQA Board approved the appointment of a Business Systems Manager to ensure that problems around the MQA-I-Share management information system are resolved effectively and efficiently. The challenges with the issuing of certificates has now been addressed and significant improvements have been made to ensure full functionality. The MQA continues to ensure that rigorous quality assurance processes are in place to eliminate fraudulent certificates.

The MQA has once again made every effort to increase the flow of communication to the industry. The MQA's media profile grew as a result of an aggressive media campaign with an external service provider through increased advertorials in the media and increased face-to-face interactions. Events such as career expos, exhibitions and workshops, were also encouraged in the sector and among rural communities. The Career Brochure was well promoted and the demand for this brochure has escalated beyond the mining and minerals sector. Learners are being encouraged to understand the role of the sector, its contribution to the economy and the various career options within the sector.

To further strengthen our customer services function, a Customer Relationship Management (CRM) system has also been approved and will be rolled out in the first quarter of the new financial year.

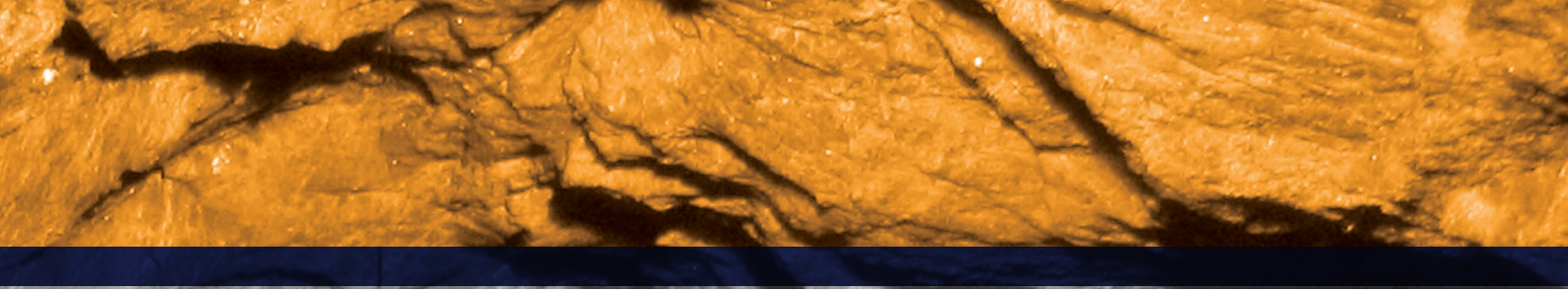
The Skills Development Co-operation Strategy co-established with the South African Development Community (SADC) countries and approved by the MQA Board in 2009 is progressing well. This strategy will allow the MQA to share information and expertise with all SADC countries.

Challenges

Despite the introduction of the training layoff scheme, in which relatively few employers are participating, retrenchments are reducing the skills base of the mining and minerals sector which is a matter of great concern to the MQA.

The MQA has started to experience a high take-up of learners by employers in the industry. In the future the MQA revenue will not be able to meet the demand for important programmes such as Artisan Development, Internships, among others that are required by the industry.

The increased take-up of learners shows that the industry is starting to appreciate the work done by the MQA. Improved efficiencies such as the dedicated focus on the management information system are



starting to bear fruit. To further improve participation and to ensure the availability of grants, the MQA will implement a new funding policy system on all its grants.

I am convinced that the new funding policy will further strengthen our efforts to continuously deliver a quality pool of artisans to the industry through our differentiated grant funding mechanism.

Going forward, the MQA will need to establish partnerships with its stakeholders and communities to be able to attract funding from institutions like the National Skills Fund and the Unemployment Insurance Fund.

Appreciation

I would like to express my sincere appreciation to the MQA Board for guiding and supporting the MQA through a year filled with challenges and changes. I also commend them for ensuring that the principles of good governance are consistently applied. I acknowledge the valuable contribution made by the Standing Committees over the past year. The success of the MQA is attributed to the active role that its stakeholders play and my belief is that it will continue to grow from strength to strength with their continued support.

Lastly, I would like to thank the MQA management and staff for their contribution during the last financial year.



Livhu Nengovhela
Chief Executive Officer

31 May 2010

1.5. MQA Management

Executive Management



Livhu Nengovhela
Chief Executive Officer



Florus Prinsloo
Chief Operations Officer

- Skills Development and Research
- Standards Generation
- Learning Programme Implementation
- Education and Training Quality Assurance
- Business Systems Development



Yunus Omar
Chief Financial Officer

- Financial Administration
- Procurement
- Risk and Fraud Administration
- Information Technology



Darion Barclay
Executive Manager Corporate Services

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

Management



Meryl Plasket
Skills Development and Research



Thapelo Madibeng
Standards Generation



Sonwabile Xaba
Learning Programme Implementation



Lulama Manyadu
Learning Programme Implementation (Projects)



Jay Moodley
Quality Assurance



Valaine Nel
Business Systems



Merle Clark
Customer Service and Communication

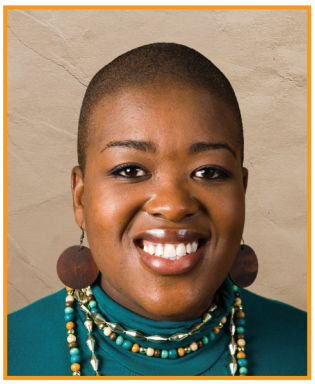


Mfundo Mdingi
Finance

Specialists



Motlalepula Matjila
Skills Development



Kedibone Moroane
Research



Jeannette De Leeuw
Standards Generation



Boitumelo Makgotlo
Standards Generation



Freda Moshime
National Skills Fund



Nonceba Singiswa
Learning Programmes



Michael Paulsen
Adult Basic Education and Training



Tshepo Tsotetsi
Projects



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Accreditation



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Khathu Raphunga
Supply Chain Management



Tintswalo Nkuna
Skills Levies

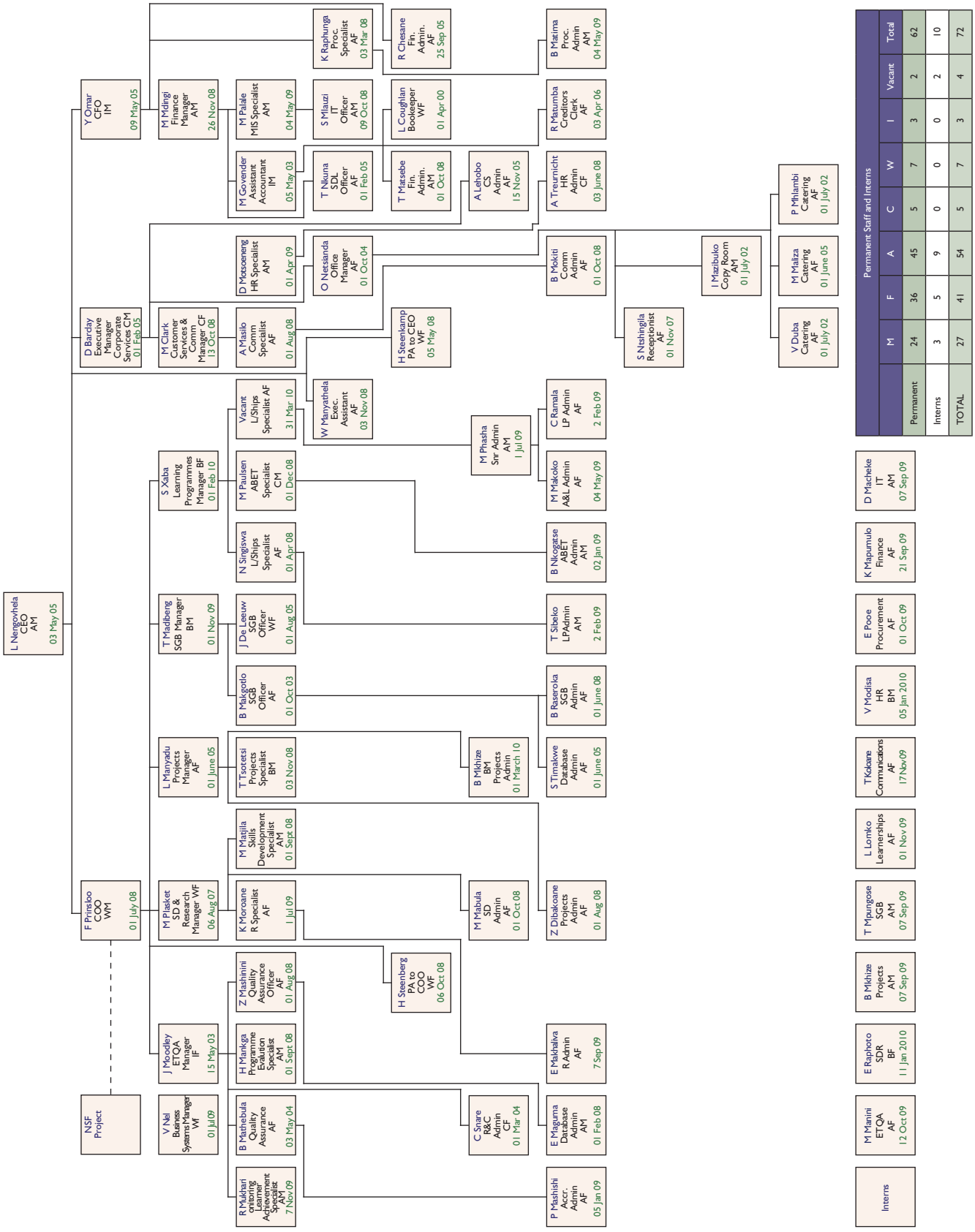


Mabvuto Palale
Information Technology

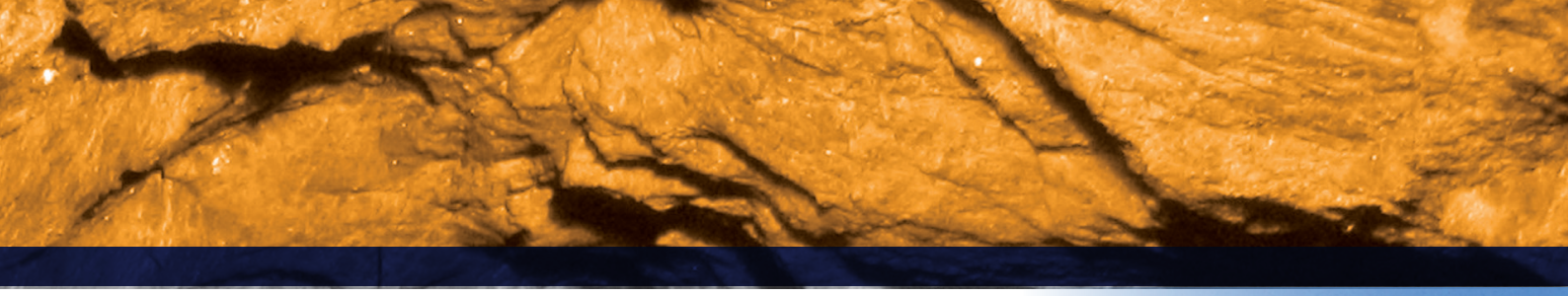


Winnie Manyathela
Legal Advisor

1.6. Organogram



Permanent Staff and Interns								
	M	F	A	C	W	I	Vacant	Total
Permanent	24	36	45	5	7	3	2	62
Interns	3	5	9	0	0	0	2	10
TOTAL	27	41	54	5	7	3	4	72



Section 2: 2009-10 National Skills Development Strategy



NATIONAL SKILLS DEVELOPMENT STRATEGY 2005 to 2010
MQA REPORT FOR THE PERIOD 2009-10

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 2009-10 ANNUAL TARGETS	MQA ACHIEVEMENTS FOR 2009-10	SCORECARD
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 Sector Skills Plan (SSP) or Annual Update is submitted and signed off by: a) The MQA and Department of Labour who agreed on 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. **Budgeted expenditure: R8 330 838.35**	The 2005-2010 SSP Update was signed off by the Department of Higher Education and Training Executive Manager responsible for quality assurance of SSP. It reflects MQA/Department of Higher Education and Training agreed growth, development and equity strategy drivers. The Annual update was submitted on time as per Department of Higher Education and Training Guidelines. **Actual expenditure: R3 314 787.73**	Target achieved. Target achieved. Target achieved. Excellent participation received by the sector after workshops were held in advance before the WSP-ATR submmissions were due.
		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 Skills Development Facilitators (SDFs) or Sector Specialists to be trained in the Sector for the year 2009-10. **Budgeted expenditure: SDF training: R7 727 197.00**	The MQA annual guide on critical skills needs was developed for the sector and made available to learners. 583 SDFs or Sector Specialists were trained. **Actual expenditure: R6 621 553.00**	Target exceeded. Participation at the WSP-ATR workshops held nationally was excellent.

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2.	Promoting and accelerating quality training for all in the workplace	**Indicator 2.1** By March 2010 the employment equity targets of at least 80% of large firms' and at least 60% of medium sized 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 Targets.	The target for the large firms is 158 firms. The target for medium firms is 88 firms. **Budgeted expenditure: R1 058 000.00**	151 large firms received WSP-ATR grants. 61 medium firms received WSP-ATR grants. **Actual expenditure: R1 018 632.91**	Target not achieved. Target not achieved. Although every effort was made to attract a larger sample of large and medium firms to submit, their WSP-ATRs, the MQA did not meet the target.
		Indicator 2.2 By March 2010 skills development in at least 40% of small levy paying firms is 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 small firms is 142 firms. **Budget included under 2.1**	181 small firms received WSP-ATR grants. **Actual included under 2.1**	Target exceeded. Excellent participation received by the sector after workshops were held in advance before the WSP-ATR submmissions were due. This ensured that number the of submissions received exceeded the target.
		Indicator 2.4 By March 2010, at least 500 enterprises achieve a national standard of good practice in skills development approved by the Minister of Labour.	Target for the sector for the period 2005 to 2010 is nil enterprises. (Nil target set by Department of Labour)	Not applicable for 2009-10 **For Good Practice Awards R600 000.00**	N/A **Actual expenditure: R588 000.00**	N/A

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2.	Promoting and accelerating quality training for all in the workplace	**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 2009-10 is 40 small BEE firms. The target for the period 2009-10 is 0 BEE co-operatives. **Budgeted expenditure: R46 700 000.00**	73 small BEE firms supported. **Actual expenditure: R27 912 533.65**	Target exceeded. An assessment conducted by the MQA also increased the participation of BEE firms in the sector.
		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 2009-10 is 6 800 learners to enter and achieve ABET levels 1 to 4. The targets for learners to have entered and achieved ABET levels are: Level 4: 800 Level 3: 1 000 Level 2: 2 000 Level 1: 3 000 Target for learners for the sector is 3 400 Learners to achieve ABET levels are: Level 4: 530 Level 3: 663 Level 2: 1 323 Level 1: 1 984 **Budgeted expenditure: R 23 100 000.00**	A total of 13 930 learners have entered ABET programmes. Breakdown per level: Level 4: 1 668 Level 3: 3 527 Level 2: 3 966 Level 1: 4 769 A total of 5 071 learners have completed ABET programmes. Breakdown per level: Level 4: 519 Level 3: 1 288 Level 2: 1 577 Level 1: 1 687 **Actual expenditure: R16 777 764.00**	Target for registration exceeded. Number of learners registered by employers was exceeded due to the demand for ABET programmes in the sector. Targets for completions exceeded. Number of learners completing ABET programmes was exceeded and reported by employers

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2.	Promoting and accelerating quality training for all in the workplace	**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 5 590 learners.	Target for the sector for the period 2009-10 is 7 000 learners to have entered learning programmes, including: Learnerships 2 000 Skills programmes 5 000 Workers to enter (MTA Section 13) 0 Workers to enter (MTA Section 28) 0 Workers to receive bursaries 0 Workers to receive internships 0 Target for the sector for the period 2009-10 is 5 500 learners to have completed learning programmes, including: Learnerships 1 000 Skills programmes 4 500 Workers to complete (MTA Section 13) 0 Workers to complete (MTA Section 28) 0 **Budgeted expenditure: R71 757 105.00**	A total of 12 412 learners have entered into learning programmes. 9 522 learners have entered into skills programmes. 2 890 learners have entered into learnerships 0 learners entered (MTA Section 13) apprenticeships. 0 learners entered (MTA Section 28) apprenticeships A total of 13 348 learners have completed learning programmes. 1 419 learners have completed learnerships 11 929 learners have completed skills programmes 0 learners have completed Section 13 and 28 apprenticeships **Actual expenditure: R84 390 259.00**	Target exceeded. Number of learners registered by employers and completing learning programmes was exceeded by the sector due to the high demand for skills development. **Over expenditure on budget approved by the MQA for increase in learnerships**
3.	Promoting employability and sustainable livelihoods through skills development	**Indicator 3.2** By March 2010, at least 2 000 non-levy paying enterprises, NGOs, Community Based Organisations (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 2009-10 for non levy paying enterprises, NGOs and CBOs is 20 enterprises. **Budget expenditure: Included under 2.5**	73 enterprises were supported. **Actual expenditure: Included under 2.5**	Target exceeded. An assessment conducted by the MQA also increased the participation of non levy paying enterprises (NLPE) in the sector.

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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 5 590 learners plus 1 218 bursars to enter learning programmes and 2 795 learners to have completed learning programmes.	Target for the sector for the period 2009-10 is 2 200 unemployed people to enter learning programmes. 2 000 unemployed people to enter learnerships 200 unemployed people to receive bursaries 0 unemployed people to enter (MTA Section 13) apprenticeship 0 unemployed people to enter (MTA Section 28) apprenticeship Target for the sector for the period 2009-10 is 1 100 unemployed people to successfully complete learning programmes. 1 000 unemployed people to successfully complete learnerships 100 unemployed people to successfully completed studies in bursaries 0 unemployed people to successfully complete (MTA Section 13) apprenticeship 0 unemployed people to successfully complete (MTA Section 28) **Budgeted expenditure: R55 810 149.58**	Total number of people that have entered the learning programmes is 2 971. 2 303 learners have entered learnerships and 1 044 unemployed people have successfully completed learnerships. 668 unemployed people have received bursaries and 451 completed. 0 learners have entered Section 13 and 28 apprenticeships and 0 have completed 0 learners entered skills programmes and 0 completed skills programmes. **Actual expenditure: R54 699 427.00**	Target exceeded. Number of unemployed people registered by employers and completing learning programmes was exceeded by the sector due to the high demand for skills development.
		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 590 practical training learners, including GDP learners. 177 learners to become self-employed or employed.	Target for the sector for learners assisted to gain work experience for the period 2009-10 is 160 Target (70%) of students/ graduates who find placement in employment or self-employment is 112. **Budgeted expenditure: R 46 178 296.00**	749 learners have been assisted with workplace experience and 116 have been placed. **Actual expenditure: R 46 133 249.40**	Target exceeded. The sector participated to ensure that a large number of learners received work place experience and were placed in employment.

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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 4.3** 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 programme	Target for the sector for the period 2005 to 2010 is 445 young persons to be trained and mentored to form new ventures. Target is that 133 (30%) new ventures are sustainable and in operation 12 months after completion of the learning.	Target for the sector for the period 2009-10 is 130 young persons 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. **Budgeted expenditure: R 5 530 000.00**	312 young people have been trained. 151 new ventures are in operation 12 months after completion of the programme. **Actual expenditure: R4 399 133.00**	Target exceeded. Participation in NVC was well supported especially by SME's. Target exceeded. The support provided to NVC ensured that these companies were sustained 12 months after completion of learning.
13	Improving the quality and relevance of provision	**Indicator 5.1** By March 2010 the MQA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public and 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 2009-10 is 10 institutes. **Budgeted expenditure: R 2 600 000.00**	16 Institutes of Sectoral or Occupational Excellence (ISOE) supported. **Actual expenditure: R2 683 955.00**	Target exceeded Due to the demand in the sector an additional number of ISOEs were identified and supported.

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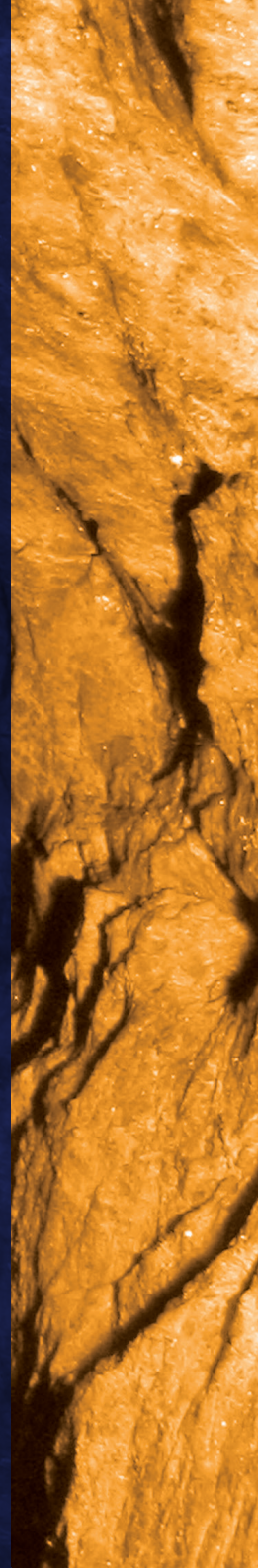
13	Improving the quality and relevance of provision	**Indicator 5.2** By March 2010, each province has at least two provider institutions accredited to manage the delivery of the New Venture Creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.	Target for the sector for the period 2005 to 2010 is five institutes.	Target for the sector for the period 2009-10 is five institutes. **No budget required as providers were set up in previous years.**	Seven providers are managing the New Venture Creation programme. **No expenditure**	Target exceeded. MoUs with other SETAs assisted in ensuring service delivery of NVC programmes.
13	Improving the quality and relevance of provision	**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. **Budgeted expenditure: R13 706 518.42**	Status is green **Actual expenditure: R9 170 320.71**	Target exceeded. The SETA has worked hard at ensuring green status with SAQA is maintained.

Section 3: Mining Charter Support Strategy

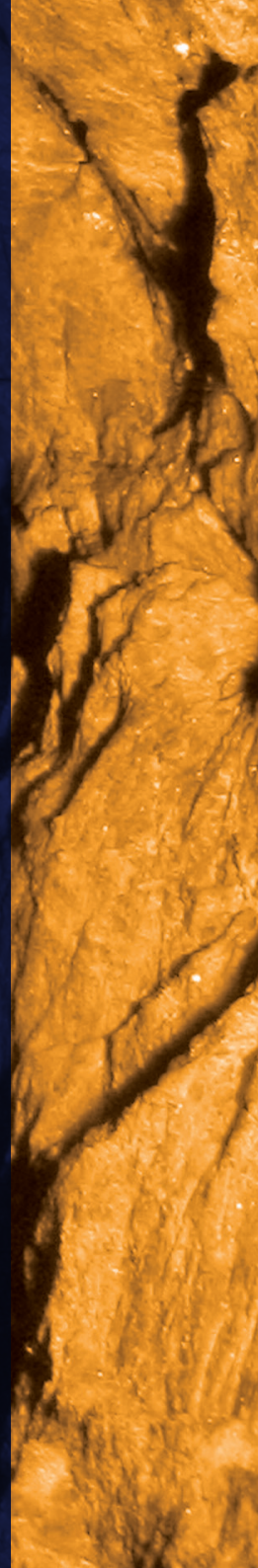


MQA STRATEGY TO SUPPORT THE MINING CHARTER: APRIL 2009 – MARCH 2010

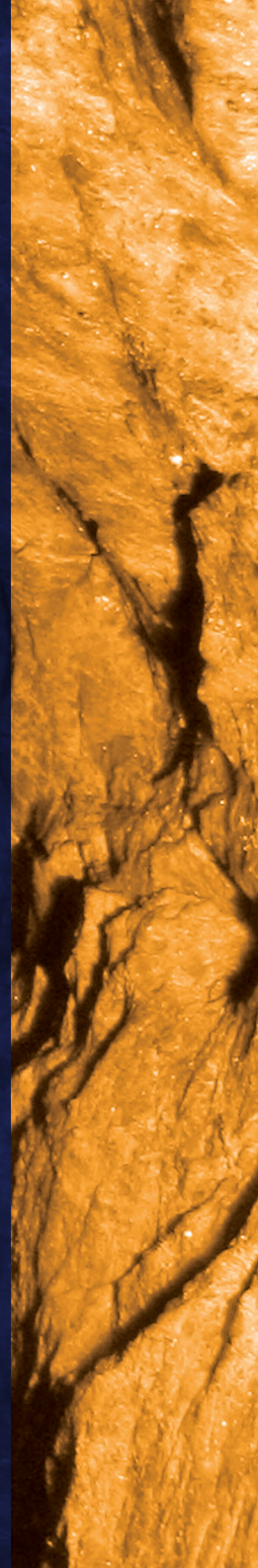
CHARTER OBJECTIVES	THE MQA PLANS TO:	POTENTIAL CHALLENGES:	MQA SUCCESS INDICATORS:	PROGRESS REPORT FOR THE PERIOD 2009-10:
1. Skills Audit and Sector Skills Strategy 'Stakeholders should formulate a comprehensive skills development strategy to include a skills audit.'	Review the Sector Skills Plan (SSP) by October 2004 and produce a new SSP for 2005 - 2010. Review the criteria for Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) annually. Maintain an appropriate database to facilitate reporting by companies on the implementation of the National Skills Development Strategy.	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. Skills audit guidelines and tool kit to be developed.	The Board approved the 2005-2010 Mining and Minerals Sector Skills Plan Update, submitted to the Department of Labour (DOL) by 31 August 2009 and approved by DoL. Scarce and critical skills in the sector were updated based on the analysis of the workplace skills plans and annual training reports submitted for the 2009-10 period. A Skills Audit Colloquium was held on 4 December 2008 with the aim of giving stakeholders, including Skills Development Facilitators, Sector Specialists, HR Practitioners and Skills Development Committee Members, an opportunity to share their experiences and views of skills audits and reflect on good practice in skills auditing. A skills audit of core skills will be rolled out in the 2010-11 financial year once the occupational profiling within the mining and minerals sector has been completed. The audit will be aligned with the Organising Framework for Occupations (OFO).
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 is needed on the use of the Framework by industry and the role of the MQA.	Reports of activities to promote the Framework are accepted by the Standards Generating Body.	The Framework has been updated and is also being revised. A total of 33 qualifications and associated unit standards have been registered on the National Qualifications Framework.
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 prevent learners from participating in training programmes.	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 9 753 learners entered ABET 1-4 programmes in the 2007-2009 period, from a targeted 6 800. A total of 10 332 learners completed ABET programmes in the 2007-2009 period, from a targeted 3 400. The review of the MQA language policy is under way.



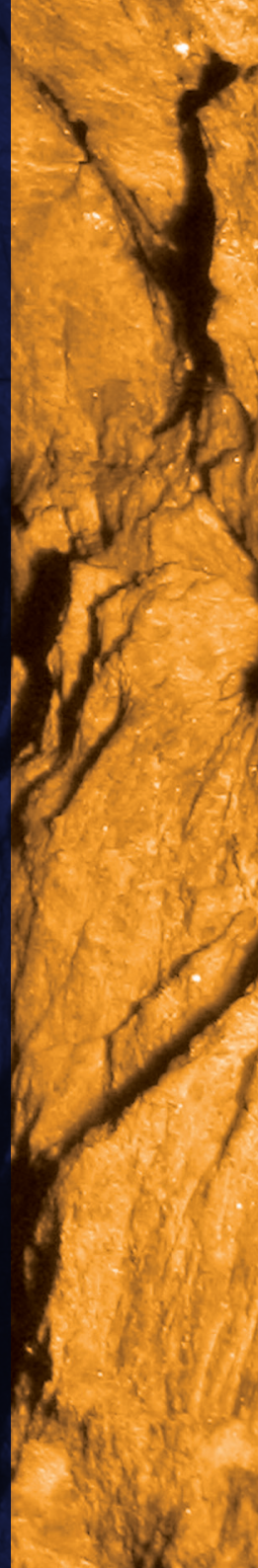
CHARTER OBJECTIVES	THE MQA PLANS TO:	POTENTIAL CHALLENGES:	MQA SUCCESS INDICATORS:	PROGRESS REPORT FOR THE PERIOD 2009-10:
4. Generic skills for miners 'Companies should provide training opportunities to miners to improve their income-earning capacity beyond the mine.'	Adopt and implement a communication 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 2009-10. The MQA Minerals Beneficiation Support Strategy was approved by the Board. 84 learners were trained in Mineral Beneficiation skills in 2009-10
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. MQA to conduct research into Maths and Science initiatives in the mining and minerals sector.	The MQA would appoint a provider to manage school project.	Project approved Research report on Maths and Science projects in the sector.	500 grade 12 learners in 5 provinces successfully completed the maths and science project.
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 an 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 licence holder. Because of the economic recession, companies may be reluctant to take on learners after they have completed their learnerships.	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	Of 1 100 learners targeted to enter learnerships in 2009-10, a total of 1127 entrants successfully entered learnerships. 49 completions were achieved from a target of 550 learners.
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 five years.'	Extend the period of MQA bursary scheme to 2010. Give grants to mines that provide practical experience to 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 2009-10 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 2009-10 financial year. Altogether 377 students underwent practical training with various mining companies and 82 students were assisted with vacation work. In January 2010, a further 193 students were placed to do practical training with 16 companies. A total of 652 students were placed to gain workplace experiential training. An overall total of 1 391 students received assistance on the bursary and practical training schemes.



CHARTER OBJECTIVES	THE MQA PLANS TO:	POTENTIAL CHALLENGES:	MQA SUCCESS INDICATORS:	PROGRESS REPORT FOR THE PERIOD 2009-10:
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 Mineral Resources (DMR) 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 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, which has been approved by the Board, and research partners have been appointed and commissioned to conduct this research.	During 2009-10, to increase the participation and entry of women into the sector, women involved in mining and minerals 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, 7 834 were women.
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, developed in support of the National Skills Development Strategy (NSDSII) 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 submitted to the Board. Quarterly reports on the implementation of the SMME support strategy are submitted to the Board and the Department of Labour. Analysis report needed	No target was set for 2009-10. The EPP was discontinued. 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.	Department of Mineral Resources to communicate this provision of the Charter to BEEs and companies.	A target of 26 was set to increase the 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. Department of Mineral Resources to communicate opportunities that may be available to HDSAs.	The MQA Board should adopt a policy position on exchange programmes.	No targets were set for this during the 2009-10 financial year.



CHARTER OBJECTIVES	THE MQA PLANS TO:	POTENTIAL CHALLENGES:	MQA SUCCESS INDICATORS:	PROGRESS REPORT FOR THE PERIOD 2009-10:
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 Department of Mineral Resources 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 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 the National Skills Fund 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 Department of Mineral Resources.	The MQA's capacity to manage the dynamics of this environment.	It is envisaged that 2 331 ex-miners proxies and community members will be participating in projects by March 2010. Board and Department of Labour accept quarterly reports on Social and Labour Plan support. Board accepts strategy and reports for MQA to phase out its role in the Social and Labour Plan.	In the Eastern Cape, 100 learners were trained in jewellery manufacturing.
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: Operations

Sector Skills Development Value Chain

4.1. Skills Development and Research

- 4.1.1. Skills Development Research
- 4.1.2. The Organising Framework for Occupations
- 4.1.3. Scarce Skills within the Mining and Minerals Sector
- 4.1.4. Workplace Skills Plans and Annual Training Reports
- 4.1.5. Support for Skills Development Facilitators and Skills Development Committees

4.2. Standards Generation

- 4.2.1. Registered Qualifications and Unit Standards
- 4.2.2. Registered Learnerships
- 4.2.3. Registered Skills Programmes
- 4.2.4. Learning Packs; Learning Materials; and Development and Approval
  - 4.2.4.1. Learning Packs
  - 4.2.4.2. Learning Materials

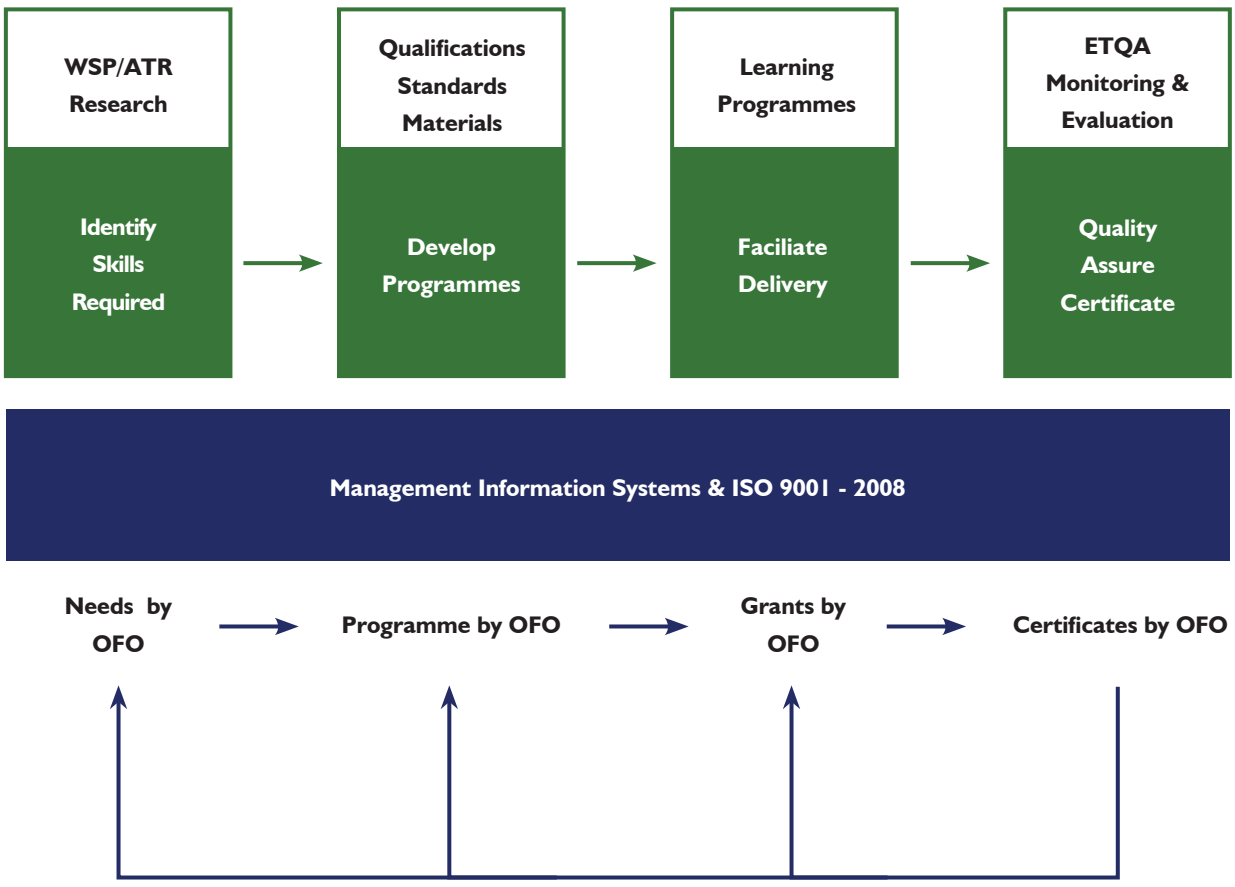
4.3. Learning Programmes Implementation

- 4.3.1. Learnerships
- 4.3.2. Internships
- 4.3.3. ABET
- 4.3.4. Skills Programmes
- 4.3.5. Lecture and Trainer Support
- 4.3.6. Bursary Project
- 4.3.7. Work Experience
- 4.3.8. New Venture Creation
- 4.3.9. SME and Retrenchees Skills Development Support
- 4.3.10. Training Layoff Scheme
- 4.3.11. Jewellery and Diamond Beneficiation
- 4.3.12. National Skills Fund
- 4.3.13. Maths and Science Pilot Project
- 4.3.14. Disability

4.4. Quality Assurance

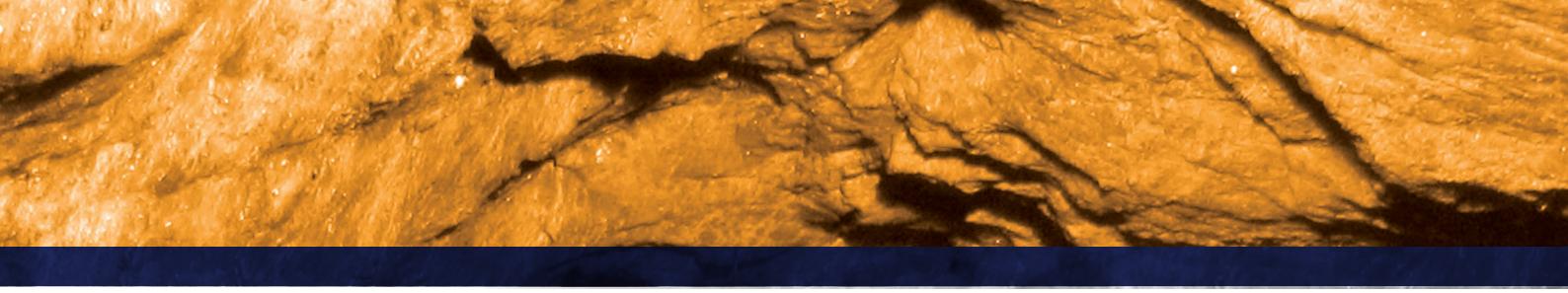
- 4.4.1. Training Providers accredited with the MQA
- 4.4.2. Assessor and moderator registration
- 4.4.3. Certification
- 4.4.4. Discretionary grants and projects administered
- 4.4.5. Recognition of Prior Learning (RPL) Project
- 4.4.6. Foundational Learning Competence (FLC) - Upskilling of ETDP Project
- 4.4.7. Accreditation scope extensions granted by SAQA

Sector Skills Development Value Chain



* OFO stands for Organisation Framework for Occupations, a national skills planning and career path coding system.

The MQA follows a simple yet effective value chain approach in supporting skills development in the mining and minerals sector. "Needs" (Column 1) are established through accurate research, which then informs "Programme Development" (Column 2) that allows the MQA to ensure that Learning Programmes Implementation" (Column 3) is aligned to customer requirements. As a continuous improvement process, the MQA "Monitors, Evaluates and Quality Assures" (Column 4) all programmes and feeds improvements to other value chain activities in a dynamic process to form a continuous loop.



4.1. Skills Development and Research

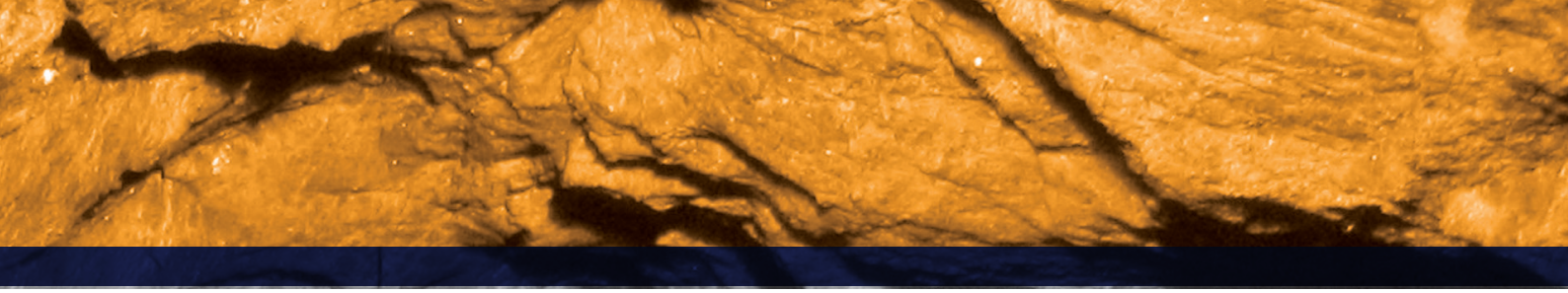
The operational purpose of the Skills Development and Research Unit (SDRU) includes:

- Managing occupational profiling to determine the Organising Framework for Occupations (OFO) codes relevant to the occupations and manage liaison on updating of OFO Codes with Skills Development Facilitators (SDFs) and the Department of Higher Education and Training;
- Managing and implementing the MQA's annual research agenda, including the Sector Skills Plan and list of scarce skills;
- Managing the submission, evaluation and approval of WSP-ATRs;
- Providing support to SDFs and Skills Development Committees (SDCs) in the sector;
- Managing MQA-contracted Independent Skills Development Facilitators (ISDFs) in the sector;
- Managing the registration of all organisations with the MQA; and
- Managing, administration and approvals pertaining to WSP-ATRs.

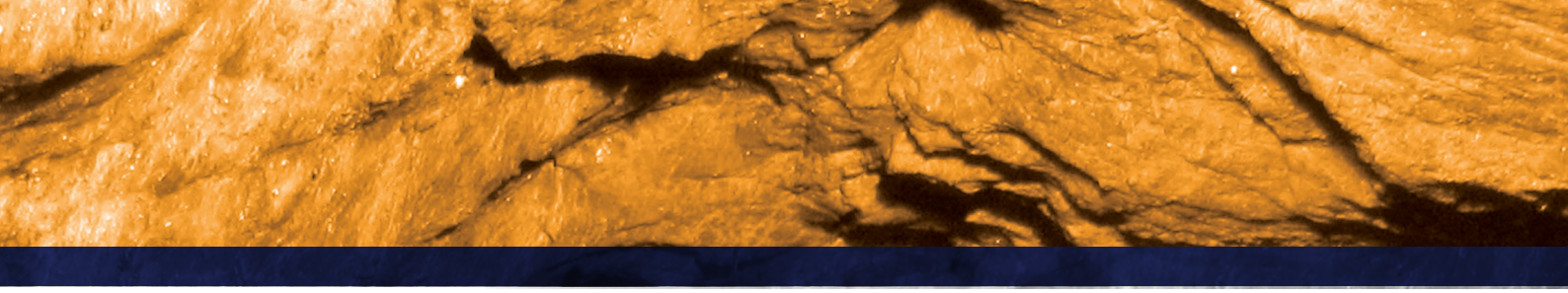
4.1.1. Skills Development Research

The MQA research agenda for 2009-10 was adopted by the MQA Board. Of the 17 research projects, nine projects were completed, seven are in progress and one was postponed to 2010-11. The projects, their objectives and status are listed below.

PROJECT NAME	OBJECTIVES	STATUS
Retrenchments within the mining and minerals sector	• Collect baseline data on recent, current and anticipated job losses and obtain information on the initiatives employers are taking to support affected employees and their communities.	Completed
Retrenchments Phase 2: Training layoff and local and international good practice	• Examine measures taken, both locally and internationally, to mitigate the impact of down scaling and closure, with an emphasis on training programmes planned and/or implemented. This includes the experience and practice of training layoffs as they have occurred in South Africa.	Completed
Workplace Skills Plan and Annual Training Report (WSP-ATR) Analysis for year 9 (2008-09)	This report is the eighth in a series of reports on information contained in the mandatory grant applications in respect of WSPs and ATRs submitted by organisations in the mining and minerals sector to the MQA. This report aims to: • Analyse the ATRs of the financial year April 2007 to March 2008 (Year 8 of the implementation of the skills development legislation) and the WSPs submitted for the financial year April 2008 to March 2009 (Year 9) in relation to sector trends; • Wherever possible, compare training done as reported in the ATRs with training done as reported on the MQA's Management Information System; • Compare information with data received in previous year's, wherever possible.	Completed
WSP-ATR analysis for year 10 (2009-10)	This report is the ninth in a series of reports on information contained in the mandatory grant applications in respect of WSPs and ATRs submitted by organisations in the mining and minerals sector to the MQA. This report aims to: • Analyse the ATRs of the financial year April 2008 to March 2009 (Year 9 of the implementation of the skills development legislation) and the WSPs submitted for the financial year April 2009 to March 2010 (Year 10) in relation to sector trends; • Wherever possible, compare training done as reported in the ATRs with training done as reported on the MQA's Management Information System; • Compare information with data received in previous years, wherever possible.	In progress
Sector Skills Plan (SSP) revision and update for 2009 (including Scarce Skills).	• Update the five-year SSP annually as required by the MQA-DoL Service Level Agreement, including scarce skills.	Completed
Evaluation of the MQAs performance in relation to the Mining Charter strategic objectives.	• Evaluate the MQA's support strategies in relation to the Mining Charter strategic objectives; • Evaluate additional interventions by the MQA in relation to skills development and transformation; • Propose recommendations on strengthening skills development in relation to transformation that may lie beyond the Mining Charter.	Completed



PROJECT NAME	OBJECTIVES	STATUS
Implications of implementation of the language policy with specific reference to the phasing out of Fanakalo.	• Provide the MQA with a historical perspective and critical analysis of Fanakalo and the possibilities and limitations of its current policy in relation to the pidgin. • Provide detailed information on and analysis of the distribution of the use of Fanakalo in the sector. o The geographical distribution of mines where Fanakalo is used; o The types of mines (underground/ opencast and commodity) in which it is used; o The extent to which it is used in: - Health and safety signage; - The day-to-day communication in the work environment; - Social contexts; o An estimate of the number of people who use Fanakalo on a regular basis; o The current use of Fanakalo in skills development and training (health and safety training and technical training) and assessment. • Consider broader technological and labour changes which impact on the future of Fanakalo (for example opencast mining development, the outsourcing of labour, labour migration and broad socio-economic changes). • Determine current perceptions and attitudes of stakeholders in the mining and minerals sector. o The implications that the use of Fanakalo has for health and safety in the mines; o The MQA's language policy of phasing out Fanakalo; o The current implementation and implications of this policy. • Assess the implications of a "phasing out policy" in terms of numbers, demographic profile, practical workplace problems and limitations. • Assess the implications of illiteracy of workers for the phasing out policy (i.e. the impact that illiteracy may have on the learning of a new language). • Assess the legal and constitutional implications of the language policy. • Identify possible alternatives to the use of Fanakalo and the possible routes to achieve the phasing out of the pidgin. This includes: o Interventions required to facilitate the phasing out process; o The current capacity available to deliver such interventions; o A broad estimate of the cost of such interventions; o Implications for health and safety as well as technical training and assessment; o The implications for the MQA (e.g. qualifications, quality assurance of education, training and funding).	In progress
Mine Health and Safety literature review (including Presidential Audit Report)	The ultimate aim of this project is to provide the MQA with information that will enable improvement in skills development in support of mine health and safety. The specific objectives of this study are: • To study the findings of Department of Mineral Resources audits and other relevant research and identify areas in which a lack of skills (including literacy and communication) played a role in safety risks; • To relate these findings to the activities that fall within the MQA's mandate; and • To make recommendations about interventions that will directly support mine health and safety. In addition the researchers were requested to consider the current project to train 40 000 safety representatives in five years and make some observations and recommendations.	Completed
Review Impact Assessment Reports commissioned by Department of Labour (DoL) and conducted by Human Sciences Research Council (HSRC) in order to determine the skills development implications for the MQA.	• Critically analyse and review the reports commissioned by the DoL and identify the skills development issues and intervention priorities applicable to the mining and minerals sector; and • Make recommendations to the MQA that address skills development issues that could enhance the impact of skills development interventions within the sector.	Completed
ABET Learning and Career Pathing research	• Provide informed research to support decision-making in the MQA to respond effectively and efficiently to meeting the ABET challenges facing the sector. • Following engagement with stakeholders within the MQA, it was agreed that this research would not go ahead. Instead a sector ABET symposium is planned, aimed at improving ABET by identifying good practice that can be shared in the sector and proposing a strategic way forward for the sector.	In progress



PROJECT NAME	OBJECTIVES	STATUS
Review of existing research on women in mining, with particular reference to skills development	• Conduct a literature review on women in mining with specific reference to skills development; and • Examine implications for the MQA and make recommendations to the MQA.	Postponed
Retention and attraction of employees with degrees and diplomas within the mining and minerals sector	• Examine the attraction and retention of graduates and diplomates within the sector and the implications for the MQA; and • Make recommendations to the MQA in relation to skills development.	Postponed
Maths and Science Support within the mining and minerals sector survey	• To investigate and identify Maths and Science initiatives that employers and service providers in the Sector are engaged in, so as to inform the MQA project and avert possible duplication.	Completed
Learner uptake within the sector	• Conduct research on the reason(s) for the low uptake of learners and convene a stakeholder workshop to interrogate the research findings once available.	Completed
Skills Development Institutes	• Investigate the feasibility of Skills Development Institutes; • Identify the regions and/or provinces where Skills Development Institutes can be established; • Develop a business case for the establishment of Skills Development Institutes; • Develop process flow charts for the functioning of the Skills Development Institutes; and • Investigate and develop best practices in the functioning of Skills Development Institutes and/or learning centres.	In progress
Occupational profiling and skills audit	• Undertake an extensive and participatory exercise to profile occupations within the mineral and mining sector; • Develop capacity of relevant persons within organisations in the sector to enable the linking of unique jobs to occupations on the OFO within their organisation; • Develop a comprehensive OFO implementation toolkit; • Validate the revised MQA qualifications framework; and • Consolidate the changes to the OFO requested by the MQA for submission to the Department of Labour/Department of Higher Education and Training. This occupational profiling exercise will lay the foundation for the development of occupational qualifications and learning pathways on the one hand, and the facilitation of a skills audit within sector organisations on the other.	This project was postponed to the 2010-11 financial year
Development and piloting of impact assessment model	• Develop an impact assessment model/s that can be utilised by the MQA to assess the impact of various initiatives/projects/grants; and • Assess the impact of the OHS project (to date) by piloting the most appropriate impact model.	In progress

4.1.2. The Organising Framework for Occupations

This coding system, known as the Organising Framework for Occupations (OFO), requires a six-digit code to be allocated to all prevailing and future occupations that exist in the South African labour market. The coding system is a critical part of the emerging National Occupational Pathways Framework (NOPF) that already includes descriptors, tasks and alternate titles for all prevailing occupations. The successful integration of the OFO into MQA member organisations data will enhance the accuracy of identifying scarce skill occupations in the sector.

The emphasis is on ensuring that the OFO represents the needs of the sector. SETAs are expected to liaise with their constituencies on a regular basis to ensure they are kept up to date with the workplace needs required to deliver outputs. The required output needs and how these relate to occupations are the cornerstone of updating the OFO. The MQA provided substantive input to the Department of Higher Education and Training on the changes the sector proposed in updating OFO Version 8 to Version 9.

Skills Development Facilitators were briefed on how to map their occupations against the OFO, as required by the workplace skills plan-annual training report process in 2010-11. An OFO toolkit was developed to assist in this process.

4.1.3. Scarce Skills within the Mining and Minerals Sector

Scarce skills refer to those occupations in which there is a scarcity or shortage of qualified and experienced people. This scarcity can be current or anticipated in the future, and is usually due to the fact that people with these skills are either simply not available, or they are available but they do not meet the organisation's employment criteria.

As part of its skills development research function, the MQA annually collects data from employers on occupations that they consider to be scarce skills. This data is collected primarily through workplace skills plans and annual training reports submitted by employers.

The data collection process has been progressively improved and refined each year, in particular over the period 2007 to 2009 as the sector has implemented the skills development occupational coding system developed by the Department of Labour (now Department of Higher Education and Training - DHET).

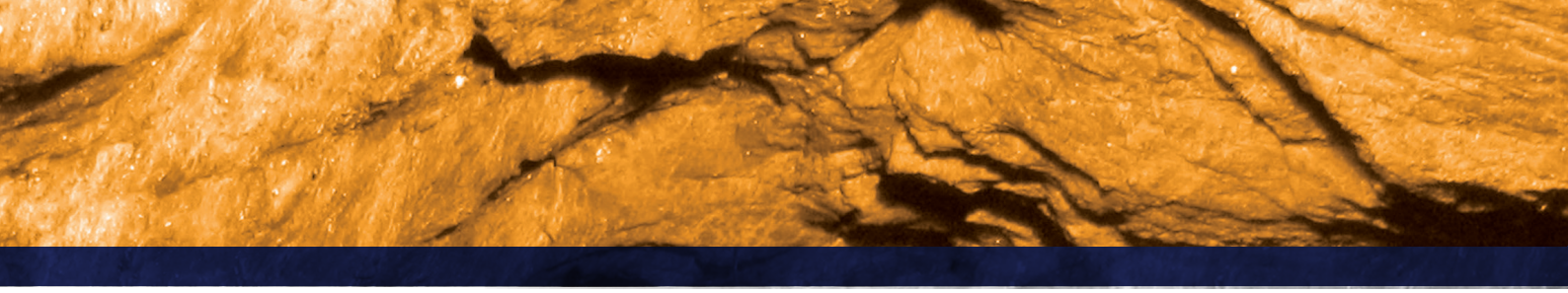
The data collected by the MQA on scarce skills in the sector is consolidated into a single list by occupation. The MQA, as well as every SETA, is required to submit this list as part of a Sector Skills Plan update to the DHET on 31 August each year so that a national scarce skills list can be compiled.

The MQA scarce skills list of August 2009 shows a marked decline in scarce skills needed in the 2009 year, most likely due to the impact of the global economic recession on the sector. Most of the skills shortages occurred in the occupational categories Technicians and Trades Workers (665 vacant positions), Professionals (267 vacant positions) and Machine Operators and Drivers (227 vacant positions).

The list below shows the top 20 scarce skills within the sector:

Table 1: Top 20 Scarce Skills List - August 2009

OCCUPATION CODE	OCCUPATION	TOTAL NUMBER REQUIRED
MANAGERS		
	N/A	
PROFESSIONALS		
234401	Geologist	59
233601	Mining Engineer (excluding Petroleum)	42
233502	Mechanical Engineer	34
233301	Electrical Engineer	24
234902	Metallurgist	21
	Sub Total	**180**
TECHNICIANS AND TRADES WORKERS		
321202	Mining Technician	114
323501	Fitter (General)	107



OCCUPATION CODE	OCCUPATION	TOTAL NUMBER REQUIRED
TECHNICIANS AND TRADES WORKERS		
342305	Electrician (General)	90
323202	Jeweller	87
322301	Millwright	62
399401	Diesel Motor Mechanic	37
323304	Fitter and Turner	35
312903	Precision Instrument Maker and Repairer	34
312901	Welder / Welder (First Class)	31
323201	Maintenance Planner	20
322303	Metal Fabricator	16
	Sub Total	**633**
MACHINERY OPERATORS AND DRIVERS		
712202	Miner (Non-Metalliferous)	75
712201	Driller	36
712301	Engineering Production Systems Worker	25
711104	Stone Processing Machine Operator	20
	Sub Total	**156**
ELEMENTARY WORKERS		
	N/A	
TOTAL		**969**

A complete list of scarce skills, as well as a comparison of scarce skills over a three-year period, is available on the MQA website.

The table below shows the top scarce skills over the last three years and the interventions put in place by the MQA to address the shortages. Despite the shortcomings in identifying scarce and critical skills, it seems that the sector is responding to its own skills needs. This is evidenced by the increase in the number of bursaries and the numbers of learners in learnerships and skills programmes in 2009-10.

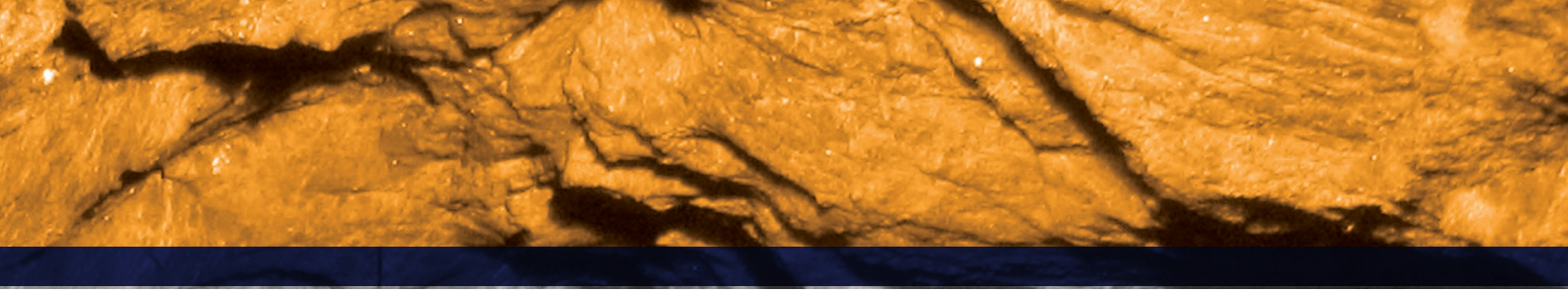


Table 2: Scarce Occupations and Supply Pipeline

OCCUPATION	AVERAGE DEMAND 2007 TO 2009	SUPPLY PIPELINE
Mining Technician	464	HET – Bursary and Internship
Driller	355	FET – Learnership
Electrician (General)	305	FET – Learnership
Diesel Motor Mechanic	228	FET – Learnership
Geologist	209	HET – Bursary and Internship
Miner	189	FET – Learnership
Fitter (General)	188	FET – Learnership
Millwright	174	FET – Learnership
Mining Engineer (excluding Petroleum)	159	HET – Bursary and Internship
Mechanical Engineer	122	HET – Bursary and Internship
Fitter and Turner	119	FET – Learnership
Jeweller	109	FET – Learnership
Electrical Engineer	82	HET – Bursary and Internship
Welder / Welder (First Class)	70	FET – Learnership
Metallurgist	63	HET – Bursary and Internship
Stone Processing Machine Operator	48	FET – Learnership
Maintenance Planner	19	FET – Learnership
Metal Fabricator	17	FET – Learnership
Precision Instrument Maker and Repairer	11	FET – Learnership
Engineering Production Systems Worker	8	HET – Bursary and Internship

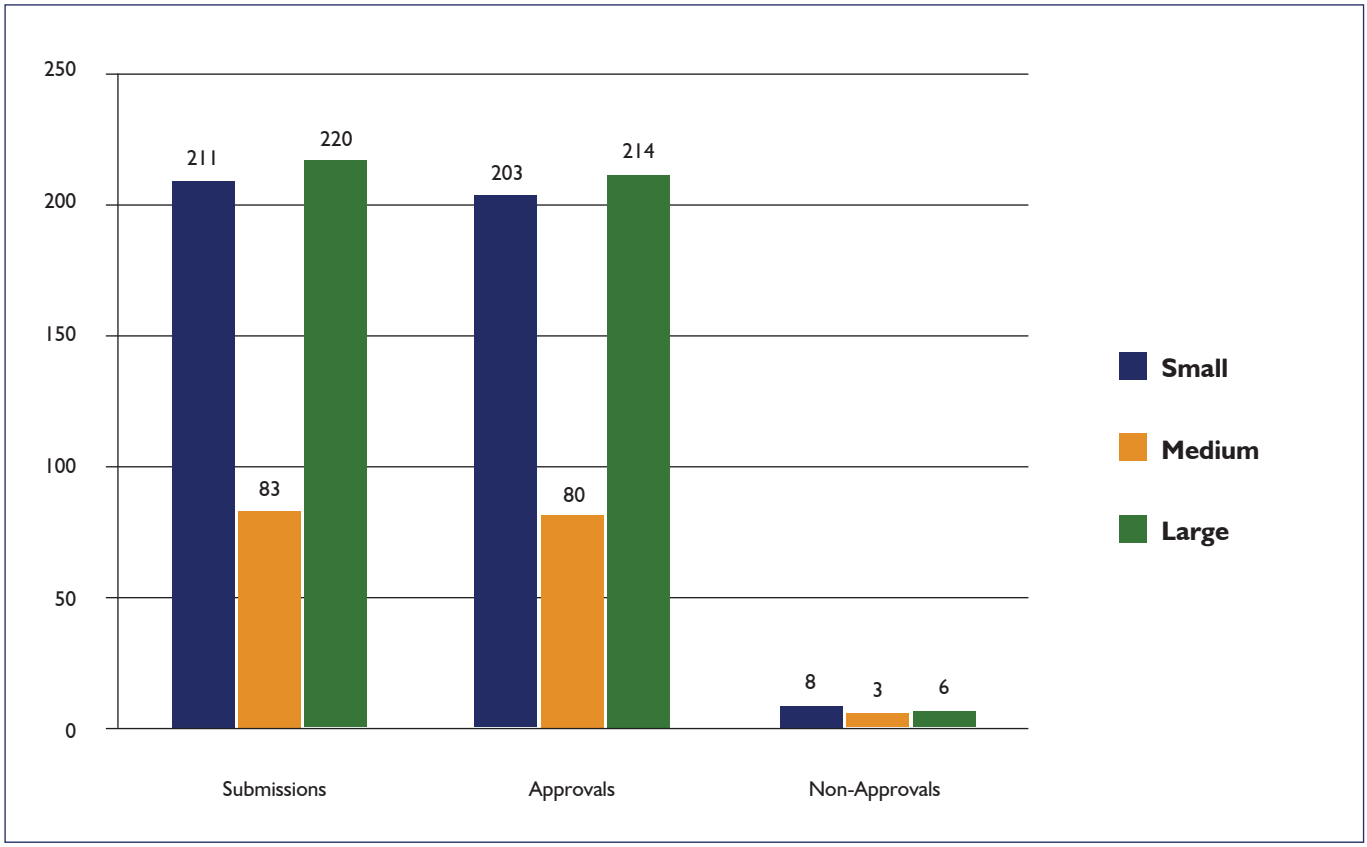
4.1.4. Workplace Skills Plans and Annual Training Reports

The submission of a Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the MQA constitutes an application for a mandatory grant. The participation of organisations in the mining and minerals sector in the levy-grant system has increased steadily over time with a total of 514 organisations (by levy number) submitting their WSPs and ATRs in the 2009-10 financial year. The table below gives an indication of total submissions and approvals across all organisational sizes:

The table below gives an indication of the total submissions, approvals and non-approvals across all organisational sizes.

ORGANISATION SIZE	SUBMISSIONS	APPROVALS	NON-APPROVALS
Small (0-49)	211	203	8
Medium (50-149)	83	80	3
Large (150+)	220	214	6
TOTAL	514	497	17

Chart 1: Total Submissions vs Approvals and Non-approvals of WSPs-ATRs by Size of Organisation

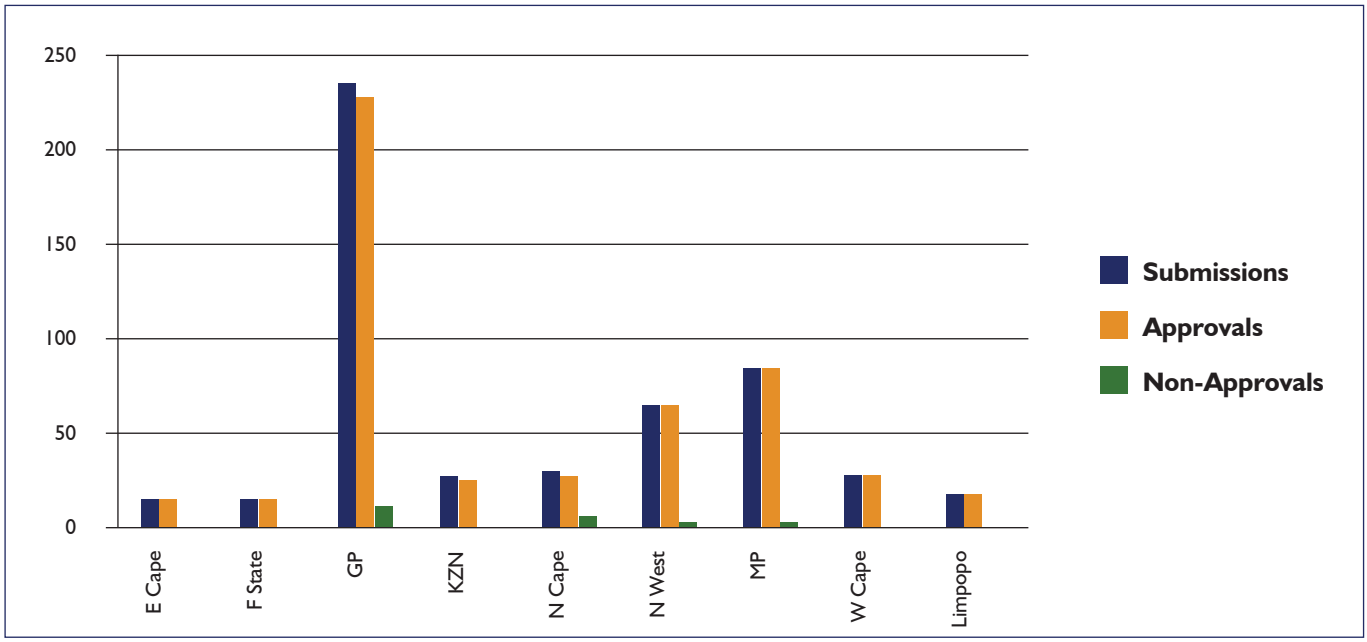


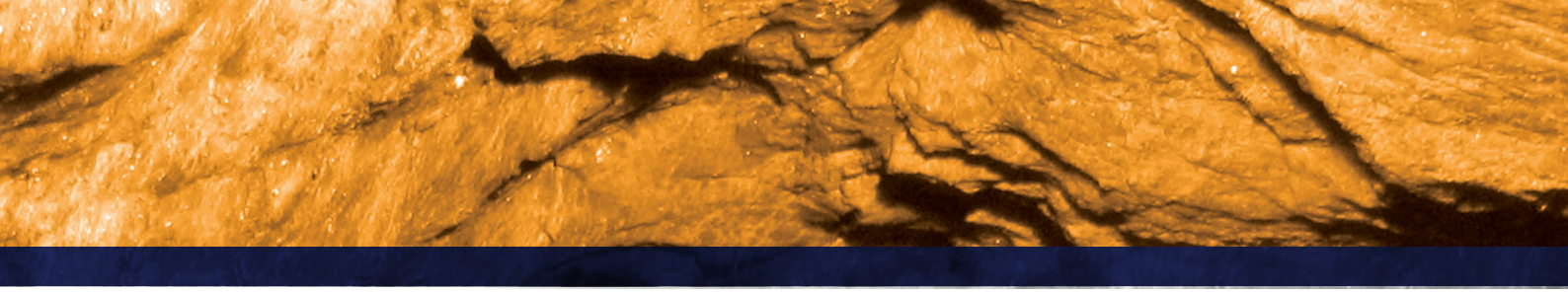
In an effort to assist organisations, particularly small employers, with the submission and approval of their WSPs and ATRs, the MQA appointed 11 Independent Skills Development Facilitators (ISDFs). As a result of this intervention, a total of 144 submissions were received.

Table 3: WSP-ATR Submissions and Approvals by Province

PROVINCE	NUMBER OF SUBMISSIONS	NUMBER OF APPROVALS
Gauteng	227	217
Mpumalanga	76	76
Free State	20	20
Western Cape	39	39
Eastern Cape	15	15
Limpopo	21	21
Northern Cape	21	18
North West	65	63
KwaZulu-Natal	30	28
TOTAL	**514**	**497**

Chart 2 : Total Submissions vs Approvals by Province

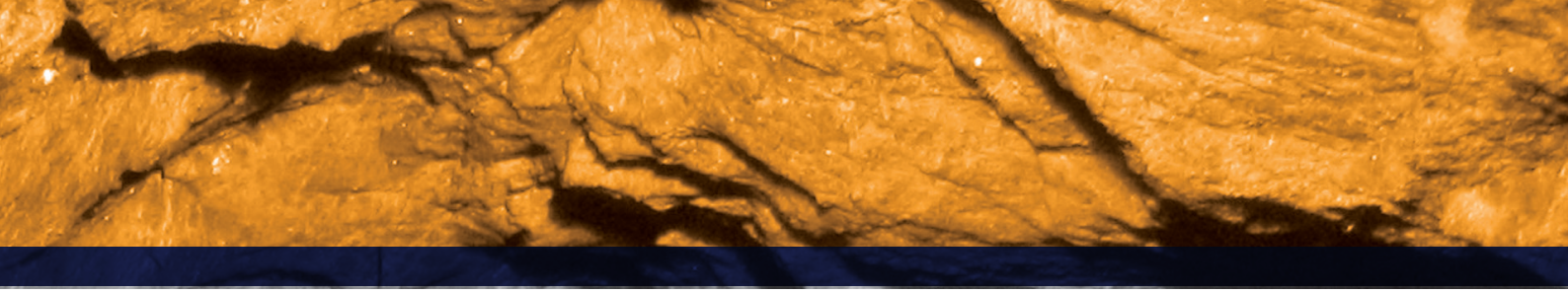




4.1.5. Support for Skills Development Facilitators and Skills Development Committees

The MQA provides support to Skills Development Facilitators (SDFs) and Skills Development Committee (SDC) members to play their role more effectively. The areas of support provided in 2009-10 are outlined below.

AREA OF SUPPORT	STATUS
SDF registration	• The MQA undertook a re-registration drive on MQA-I-Share of all SDFs (primary and secondary) within the sector in order to establish an up-to-date database of SDFs. • 395 SDFs have been approved for 450 organisations.
SDF National Forum	• 03 June 2009, focusing on WSP-ATR submission for 2009-10 and addressing the MQA I-Share challenges in this regard; • 07 October 2009, focusing on the Training Layoff Scheme; and • 17 November 2009, focusing on changes in the skills development arena, WSP-ATR submission for 2010-11, SSP and the changing role of SDFs.
SDF workshops on the OFO and WSP-ATR submission 2010-11	• Workshops were planned for all nine provinces throughout March 2010 and successfully conducted in seven of the provinces (two provincial workshops were cancelled due to poor attendance). Nearly 500 SDFs and Sector Specialists attended the workshops.
SDC support	• A national workshop was held targeting labour-nominated Skills Development Committee members in May 2009 focusing on OFO and WSP-ATR submissions for 2009-10. • An induction pack for SDC members and new SDFs is currently being developed.
SDF resource material	• SDFs were provided with an updated MQA Scarce Skills Guide, a WSP-ATR Guide and an OFO Guide and Toolkit. • In addition, SDFs were given an MQA-branded copy of an E-book, "The Skills Development Handbook", as user-friendly resource material which included an outline of the new occupational learning system.
Independent Skills Development Facilitators (ISDFs)	• 11 ISDFs were contracted by the MQA to support small organisations in their submission of WSP-ATRs to the MQA between May and July 2009. • A total of 16 ISDFs, including eight of the existing ones, have been contracted to continue supporting small organisations within the sector as well as playing a variety of other support roles largely in respective geographic areas. • The target of a total of 32 ISDFs remains and will be actively worked towards.



4.2. Standards Generation

The Standards Generatoin Unit at the MQA facilitates and supports the development of the qualifications and unit standards for registration on the National Qualifications Framework (NQF). These qualifications are identified through the MQA Qualifications Framework and the Scarce Skills List for the South African mining and minerals sector. The current policy framework for the development of qualifications and unit standards is the National Skills Body (NSB) Regulations 20-24 (1) and (2): as well as the SAQA criteria and guidelines for generation of qualifications for registration on the NQF.

However, this current qualification paradigm and philosophy will in future be replaced by the proposed Quality Council for Trades and Occupations (QCTO) regulations. To date, the MQA has participated in the development of four (4) QCTO pilot qualifications namely Mine Overseer, Underground Coal, OHS Practitioner and Ventilation.

The MQA uses Technical Reference Groups (TRGs), which are subject matter expert representatives from the mining and minerals sector. Qualifications are prioritised from the qualifications framework for development and registration. Once the qualifications are registered on the NQF, the TRGs develop the various learning programmes associated with the registered qualifications. These include learnerships programmes, skills programmes and the learning packs (facilitator and assessment guides). The learning packs are provided free of charge to the accredited providers in the sector.

The Validation Committee reports technical issues relevant to unit standards and provides feedback to the TRGs during the development process on unit standards validated.

The Standards and Qualifications Coordinating Group (SQCG) is comprised of all TRG facilitators and consolidates the work of TRGs by ensuring the correct level of complexity of learning for unit standards at a particular NQF level. The SQCG also minimises duplication of work between TRGs. This group holds the pipeline for occupations on the MQA qualifications framework.

The SGB Committee is a statutory standard setting structure for the qualifications in the mining and minerals sector and is a Standing Committee of the MQA. The Committee maintains accountability for the developed qualifications and unit standards and approves learning programmes on recommendation from the Validation Committee and the SGB Unit.

Joint implementation plans exist between the MQA and ECSA for the development of NQF level 6 mining and minerals sector engineering qualifications commonly known as stage 1 and stage 2 qualifications. Below are registered qualifications, learnerships and skills programmes.

4.2.1. Registered Qualifications and Unit Standards

In the 2009-10 financial year, the Mining and Minerals SGB contributed to the development and registration of a number of qualifications on the NQF. The following first four (4) qualifications have been registered in collaboration with other SETA related SGBs; specialisation areas applicable to the mining and minerals sector are recorded in such qualifications as learning programmes.

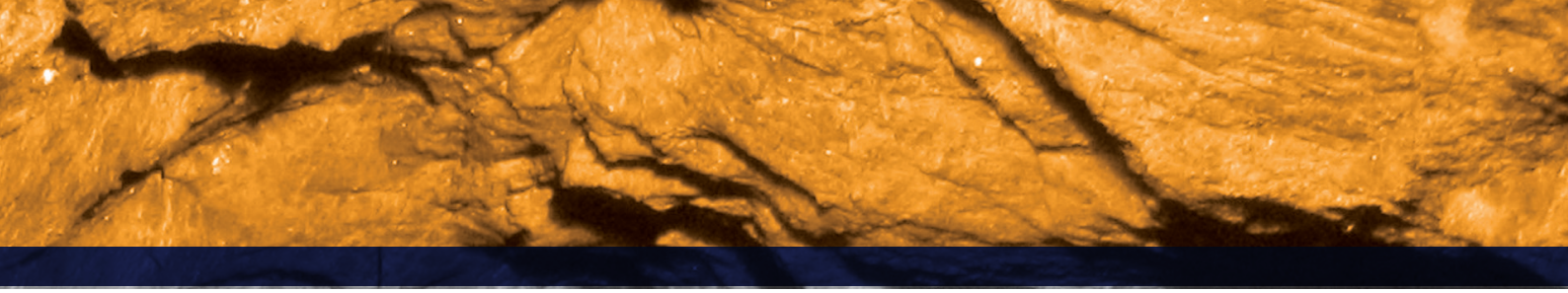
REGISTERED COLLABORATIVE QUALIFICATIONS	NLRD NO.	STATUS
NC: Measurement, Control and Instrumentation – Level 2	65629	Learning programme
NC: Measurement, Control and Instrumentation – Level 3	65631	Learning programme
FETC: Measurement, Control and Instrumentation – Level 4	65630	Learning programme
NC: Chemical Operations – Level 3	66209	Learning programme

REGISTERED COLLABORATIVE QUALIFICATIONS	NLRD NO.	STATUS
NEWLY REGISTERED MINING QUALIFICATIONS		
FETC: Mining Operations – Level 4	74490	Registered
FETC: Mining/Exploration Geology – Level 4	77963	Registered
QUALIFICATIONS WHICH HAVE REACHED THEIR END DATE ON THE NQF AND RE-REGISTERED		
FETC: Minerals Surveying – Level 4	50082	Re-registered
FETC: Carbonate Materials Manufacturing Processes – Level 4	57692	Re-registered
NC: Mining Operations: Underground Coal – Level 3	21812	Re-registered
FETC: Jewellery Designing – Level 4	57875	Re-registered
FETC: Jewellery Manufacturing Operations – Level 4	57876	Re-registered
NEWLY DEVELOPED QUALIFICATIONS SUBMITTED TO SAQA FOR REGISTRATION IN 2010-11		
NC: Lamproom Operations – Level 3	78323	Public Comment
NC: Diamond Design and Evaluation – Level 5	78966	Public Comment
NC: Diamond Processing – Level 5	78843	Public Comment

4.2.2. Registered Learnerships

The following six new learnerships were developed and registered with the Department of Higher Education and Training:

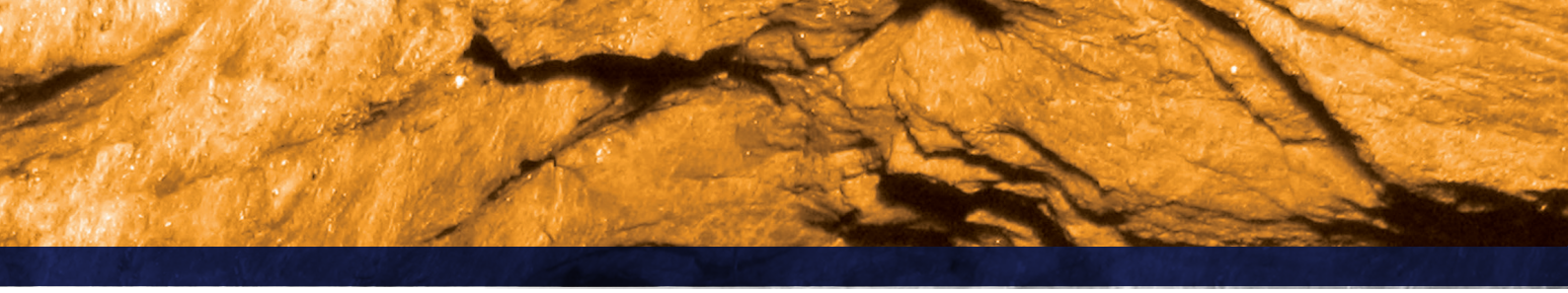
SAQA ID	LEARNERSHIP TITLE	LEVEL	REG. NO.
74531	FETC: Measurement, Control and Instrumentation (Engineering and Technology)	4	16Q160119211344
74532	NC: Measurement, Control and Instrumentation (Engineering and Technology)	3	16Q160120211203
74530	NC: Measurement, Control and Instrumentation (Engineering and Technology)	2	16Q160121321332
66209	NC: Chemical Operations (Mineral Extraction and Refining)	3	16Q160124391203
66209	NC: Chemical Operations (Sulphuric Acid)	3	16Q160123321203
58515	NC: Chemical Operations	2	16Q160122311352



4.2.3. Registered Skills Programmes

The following 31 new skills programmes were developed and approved by the Mining and Minerals SGB:

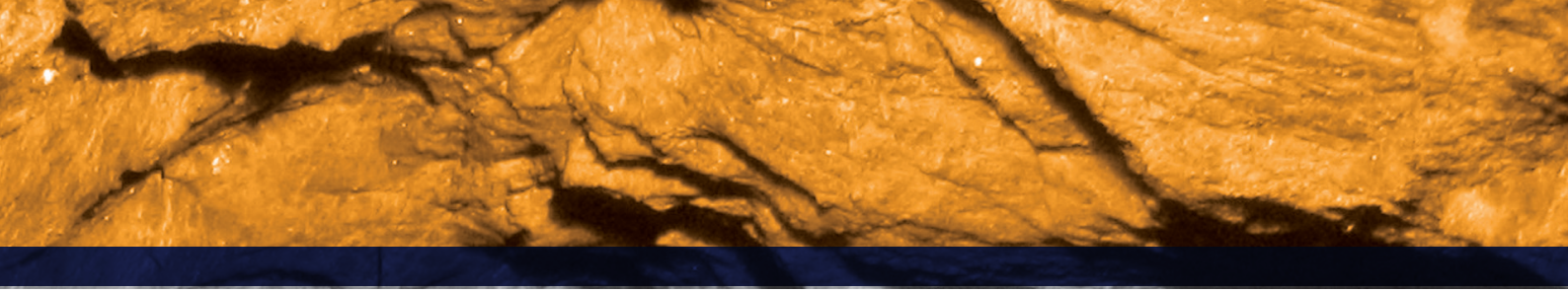
NO.	NEW PROGRAMME ID	SKILLS PROGRAMME TITLE
1.	MQA/SP/0100/09	Skills programme in mechanical engineering maintenance in surface operations
2.	MQA/SP/0097/09	Skills programme in fabrication and repair of equipment in surface operations
3.	MQA/SP/0101/09	Skills programme in lifting and moving of a load in surface operations
4.	MQA/SP/0105/09	Skills programme in creating moulds for wax casting technique
5.	MQA/SP/0104/09	Skills programme in identifying and grading gemstones
6.	MQA/SP/0102/09	Skills programme in cleaning up castings and manufacturing basic jewellery
7.	MQA/SP/0103/09	Skills programme in computer aided design
8.	MQA/SP/0098/09	Skills programme in production of master models from re-production and mass production
9.	MQA/SP/0099/09	Skills programme in jewellery design, quoting and pricing
10.	MQA/SP/0090/09	Skills programme in water reticulation
11.	MQA/SP/0091/09	Skills programme in electro winning
12.	MQA/SP/0092/09	Skills programme in gold elution and carbon regeneration
13.	MQA/SP/0094/09	Skills programme in relining of a mill
14.	MQA/SP/0096/09	Skills programme in preparation of slimes for backfilling
15.	MQA/SP/0050/09	Skills programme in adsorption of gold onto activated carbon
16.	MQA/SP/0083/09	Skills programme in computer aided marking
17.	MQA/SP/0076/09	Skills programme in laser cutting
18.	MQA/SP/0074/09	Skills programme in rough sorting
19.	MQA/SP/0073/09	Skills programme for SMMEs in the diamond processing industry
20.	MQA/SP/0085/09	Skills programme on generic management for middle managers in the South African mining and minerals sector
21.	MQA/SP/0072/09	Skills programme in flotation



NO.	NEW PROGRAMME ID	SKILLS PROGRAMME TITLE
22.	MQA/SP/0093/09	Skills programme in diamond recovery
23.	MQA/SP/0095/09	Skills programme for grading room operators
24.	MQA/SP/ 0115 /09	Skills programme in applying safety, health and environmental principles in a small-scale mine
25.	MQA/SP/ 0114/09	Skills programme in operating a small-scale quarry
26.	MQA/SP/ 0116/09	Skills programme in operating a small-scale surface mine
27.	MQA/SP/ 0117/09	Skills programme in operating a small-scale underground coal mine
28.	MQA/SP/0118 /09	Skills programme in operating a small-scale underground hardrock mine
29.	MQA/SP/0119 /09	Skills programme in operate mobile machinery for surface excavation operations
30.	MQA/SP/0075 /09	Skills programme in rough evaluation
31.	MQA/SP/ 0087/09	Skills programme in water analysis (laboratory)

The following 21 reviewed skills programmes have been approved by the Mining and Minerals SGB:

NO.	NEW PROGRAMME ID	OLD PROGRAMME ID	REVISED PROGRAMME TITLE
1.	SP/CLA-015/ 09 A&B V2	MQA/SP/0014/03	Skills programme for competent person A surface mines and quarries
2.	SP/CLA-017/09 V2	MQA/SP/0042/07	Skills programme in blasting assistance for surface mines and quarries
3.	SP/ CLA -016/09 V2	MQA/SP/0046/06	Skills programme for competent person B surface mines and quarries
4.	SP/CLA -018/09 V2	SPCLA-G003	Skills programme in the control of explosives magazines on surface mines and quarries
5.	MQA/SP/0110/09 V2	MQA/SP/0050/06	Skills programme in adsorption of gold onto activated carbon
6.	MQA/SP/0088/09 V2	MQA/SP/0030/05	Skills programme in crushing
7.	MQA/SP/0107/09 V2	MQA/SP/0028/05	Skills programme in dense medium separation
8.	MQA/SP/0111/09 V2	MQA/SP/0051/06	Skills programme in handling of chemicals
9.	MQA/SP/0112/09 V2	MQA/SP/0052/06	Skills programme in milling of material
10.	MQA/SP/0029/09 V2	MQA/SP/0029/05	Skills programme in ore reception
11.	MQA/SP/0089/09 V2	MQA/SP/0027/05	Skills programme in scrubbing and screening
12.	MQA/SP/0113/09 V2	MQA/SP/0053/06	Skills programme in slimes reclamation
13.	MQA/SP/0114/09 V2	MQA/SP/0054/06	Skills programme in solvent extraction



NO.	NEW PROGRAMME ID	OLD PROGRAMME ID	REVISED PROGRAMME TITLE
14.	MQA/SP/0109/09 V2	MQA/SP/0049/07	Skills programme in thickening of a slurry
15.	MQA/SP/0112 /09 V2	MQA/SP/0032 /06	Skills programme in fire assay
16.	MQA/SP/0111 /09 V2	MQA/SP/ 0031/05	Skills programme in primary sample preparation
17.	MQA/SP/0113 /09 V2	MQA/SP/0035 /05	Skills programme in secondary sample preparation
18.	MQA/SP/0121 /10 V2	MQA/SP/0048 /06	Skills programme in advanced generic management
19.	MQA/SP/0122 /10 V2	MQA/SP/ 0059/07	Skills programme in basic generic supervision
20.	MQA/SP/0123 /10 V2	MQA/SP/0047/06	Skills programme in intermediate generic management
21.	MQA/SP/0124 /10 V2	MQA/SP/0020/05	Skills programme in the handling of explosives in mines

The Standards Setting Grants to the amount of R1 300 167.00 were paid out to small organisations within the sector that released their employees to participate in qualifications and learning programme development activities.

4.2.4. Learning Packs, Learning Material Development and Approval

4.2.4.1. Learning Packs

The learning packs developed by the MQA consist of facilitator and assessment guides for the registered learning programmes within the mining and minerals sector. The MQA facilitates and supports the development of learning packs through a Memorandum of Understanding with the Chamber of Mines. Since inception the Mining and Minerals Learning Pack Materials Development Initiative developed a total of 1154 learning packs approved by the Learning Materials Steering Committee (LMSC) and the SGB. In the 2009-10 financial year, the MQA disbursed a total of R3,325,355.00 grants for the development of the learning packs.

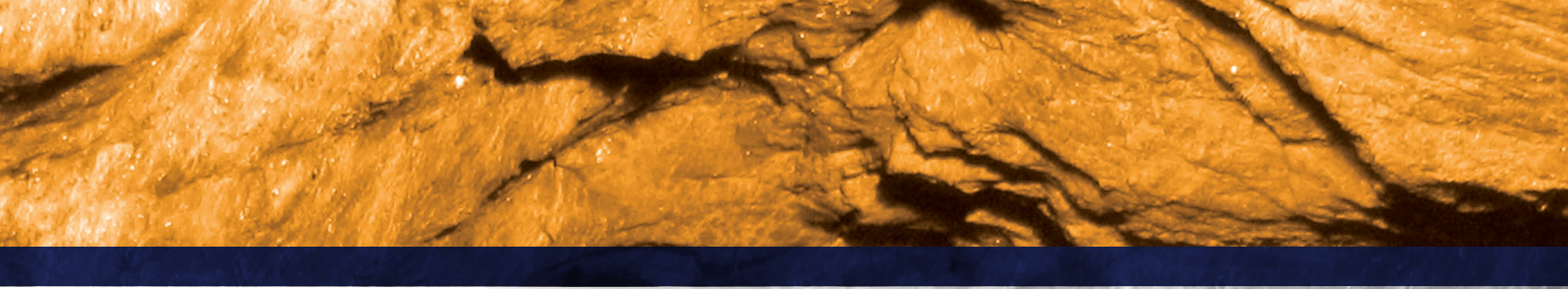
4.2.4.2. Learning Materials

The Foundational Learning Competence (FLC) and Rock Engineering learning materials are the two specialised learning materials development initiatives currently being undertaken by the MQA and the Chamber of Mines.

Learner support materials for the proposed FLC is intended for all learners within the mining and minerals sector who enter occupational or trades awards (NQF Levels 2-4) under the QCTO. Learners will be required to demonstrate competence in Foundational Mathematical Literacy and Foundational Communication in English as defined through the proposed curriculum frameworks of the QCTO.

The compilation of the learning materials for the Chamber of Mines Certificate in Rock Engineering is intended to cover portions of the certificate such as theory, basic rock engineering practice, hardrock tabular, soft rock tabular, massive underground and surface mining.

These projects would be undertaken and completed in the 2010-11 financial year.



4.3. Learning Programmes Implementation

The core function of the Learning Programmes unit at the MQA is to facilitate and support the delivery of learning within the mining and minerals sector. It provides the MQA levy-paying companies with discretionary grants, and administers, manages and conducts learner site verification for various learning programmes. Learning programmes include: learnerships, internships, Adult Based Education Training (ABET), Occupational Health and Safety (OHS) and skills programmes.

The process of implementing the learning programmes within the sector start with the MQA levy-paying companies applying for discretionary grants for the financial year. When the MQA learning programmes unit approves the application, the company will start recruiting, selecting and appointing the learners who meet the minimum criteria for a particular learning programme. A Memorandum of Understanding will then be signed between the company and the accredited training provider for the delivery of training. The learner will be placed in a learning programme in one of the MQAs levy-paying companies.

The Learning Programmes unit performs additional functions such as monthly disbursement of grants for the learning programmes, assisting companies and accredited providers by training them on MQA-I-Share, and assisting with queries related to learning programmes, including cancellations, transfers and changes of a learnership.

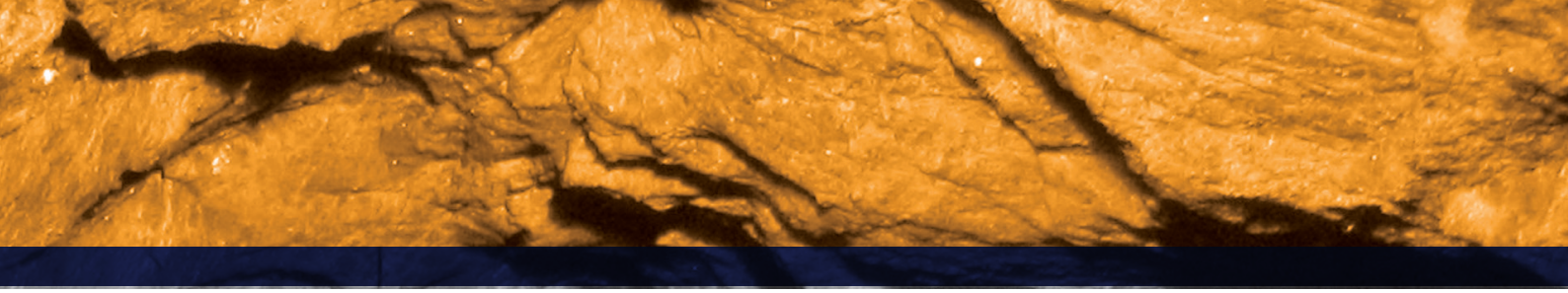
4.3.1. Learnerships

The objective is to enrol learners onto core learnerships (for artisans and non-artisans) for the mining and minerals sector. The accredited training provider will create the learning programmes agreement in the system and submit it after it has been signed by the employer, accredited provider and the learner. The Learning Programmes unit will then register this legal agreement on the MQA Management Information System (MQA-I-Share).

To date the MQA has registered 6 009 employed learners and 2 879 unemployed learners on learnerships for artisans and non–artisans. The table below shows the completion rate of learners.

Completion Rate of Learners on Learning Programmes;

NSDS SUCCESS INDICATOR, 2.8 (EMPLOYED LEARNERS) LEARNERSHIP PROGRAMME		
	Target	Actual achievement
Registered learners	2 000	2 890
Completed learnerships	1 000	1 419
NSDS SUCCESS INDICATOR, 4.1 (UNEMPLOYED LEARNERS) LEARNERSHIP PROGRAMME		
	Target	Actual achievement
Registered learners	2 000	2 303
Completed learnerships	1 000	1 044



4.3.2. Internships

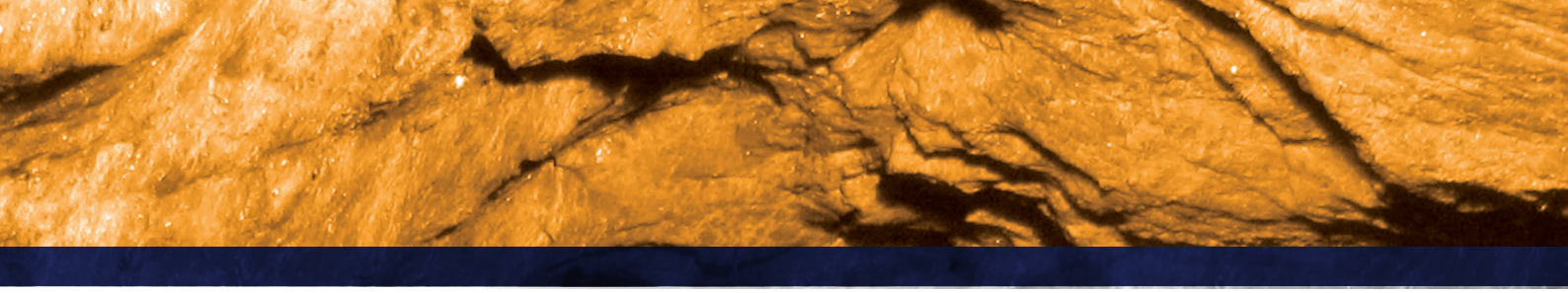
The objective of internships is to provide structured work experience to young unemployed graduates from FET or HET institutions to complement qualifications in the scarce and/or critical skills required by the mining and minerals sector. During 2009-10, the MQA placed a total of 113 learners on various internships for the following disciplines:

Numbers of Learners on Internships

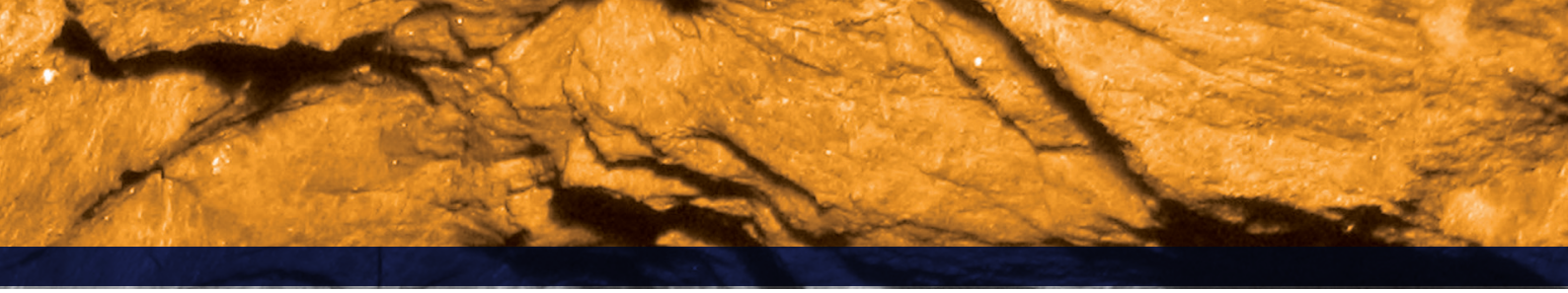
NUMBER	DISCIPLINE	LEARNERS
1	Metallurgy (Minerals Processing)	15
2	Electrical Engineering (Heavy Current)	2
3	Chemical Engineering (Minerals Processing)	4
4	Jewellery Design and Manufacturing	39
5	Analytical Chemistry	11
6	Environmental Management	12
7	Geology	27
8	Mechatronics	1
9	Mining Engineering	2
10	Mine Survey	0
11	Industrial Engineering	0
12	Electro-Mechanical Engineering	0
13	Mechanical Engineering	0
TOTAL		113

Companies Participating in Internship Learning Programmes:

NO.	NAME OF COMPANY	INITIAL NUMBER OF CANDIDATES PLACED	IN TRAINING AS AT 31 MARCH 2010
1	Anglo Platinum	10	0
2	Metskill (Pty) Ltd	1	1
3	World of Platinum T/A Seda Platinum Incubator	4	3
4	Blyvooruitzicht Gold Mine	7	5



NO.	NAME OF COMPANY	INITIAL NUMBER OF CANDIDATES PLACED	IN TRAINING AS AT 31 MARCH 2010
5	Minopex	7	7
6	Council for Geoscience	10	9
7	AngloGold Ashanti	1	1
8	Bernard's Jewellery Design and Manufacture	4	4
9	David Batchelor Designs	2	2
10	Gerhard Moolman Fine Jewellery	3	3
11	Goldfields Business and Leadership Academy	10	9
12	Goldfields Kloof Gold Mine	3	3
13	Goldfields South Deep	3	3
14	Greig Stephens Jewellers (Pty) Ltd	1	1
15	Harmony Saaiplaas Plant	7	7
16	Lonmin Platinum	4	4
17	Mintek	2	2
18	Mizane Jewellers	3	3
19	Pneuma Jewellers	11	10
20	Prins and Prins	1	1
21	Silplat (Pty) Ltd	1	1
22	Van der Bank Jewellers	1	1
23	Zenzele Technology Demonstration Centre	3	3
24	Intsika Skills Beneficiation Project	3	3
25	Akapo Jewellers	2	2
26	Imfundiso Skills Development	4	4
27	Xstrata Alloys	5	3
	TOTAL	**113**	**95**



4.3.3. Adult Basic Education Training (ABET)

The provision and delivery of quality ABET learning programmes in the mining and minerals sector continues to play a pivotal role in the implementation of the MQA skills development initiatives. The objective is to give employers and employees incentives to participate in ABET training to progressively increase levels of literacy in the sector. Based on the findings of internal auditors that participating companies needed to make a firm commitment, the MQA Learning Programmes unit developed a letter of commitment for the companies. The MQA Board also approved the research plan for ABET in the sector. This includes analysing the impact of ABET and reviewing progress and assessment instruments, 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 on 12 September 2009, at Foskor Community Centre in Phalaborwa, Limpopo, to promote literacy within the sector.

The MQA annual target for the registration of ABET learners is 6 800 with an annual completion target of 4 500.

The following table represents the MQA achievements against the ABET targets for the 2009-10 financial year.

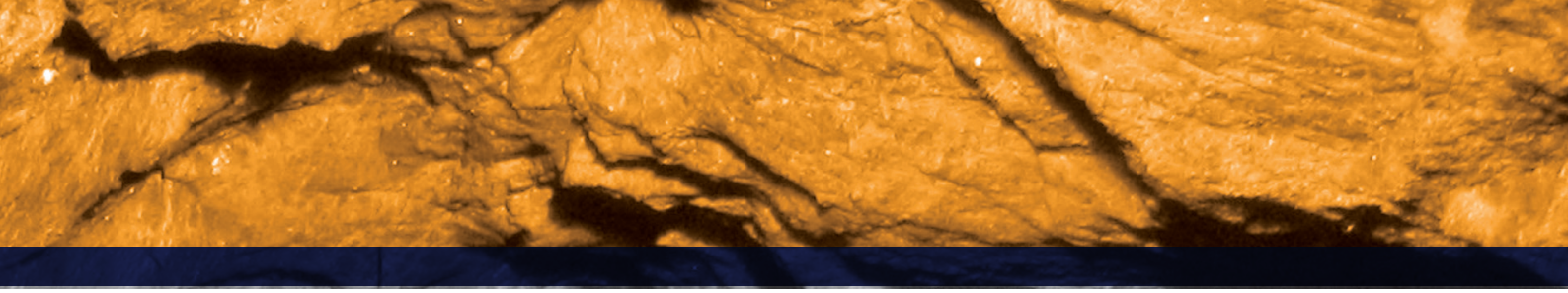
	PROGRAMME	TARGET	ACTUAL ACHIEVEMENT
ABET 1-4 Registrations	ABET 1	3 000	4 769
	ABET 2	2 000	3 966
	ABET 3	1 000	3 527
	ABET 4	800	1 668
TOTAL ABET LEARNER REGISTRATIONS FOR 2009-10		**6 800**	**13 930**
ABET 1-4 Completions	ABET 1	1 984	1 687
	ABET 2	1 323	1 577
	ABET 3	663	1 288
	ABET 4	530	519
TOTAL ABET LEARNER COMPLETIONS FOR 2009-10		**4 500**	**5 071**

4.3.4. Skills Programmes

4.3.4.1. Occupational Health and Safety Skills Programmes

The objective of the Occupational Health and Safety (OHS) project is to train 40 000 OHS representatives over five years, in line with the Mine Health and Safety Tripartite Leadership Summit Agreement signed in September 2008. The MQA Board has approved a budget of R24 000 000.00 to support companies who will be sending their employees for training on the OHS programme. The MQA Learning Programmes unit will support a total of 10 000 safety representatives and shop stewards on an annual basis. The table below lists the accredited training providers that have been appointed to date, all of which have signed service level agreements with the MQA.

ACCREDITED OCCUPATIONAL HEALTH AND SAFETY PROVIDERS		
NO.	NAME OF PROVIDER	SIGNED SERVICE LEVEL AGREEMENT
1	A & R Engineering & Mining Suppliers (Pty) Ltd	✓
2	De Beers Kimberley Mine Tau Human Resource Development Centre	✓
3	Dynamic New Approach	✓
4	Fundisa Zonke Training Agency t/a Training the Nation	✓
5	Goldfields Training Academy	✓
6	Inkezo HR Solutions	✓
7	Lonmin	✓
8	Martiq 1014 cc t/a TWR	✓
9	Mathome Training	✓
10	Prisma Training Solution	✓
11	Senzeko Risk Executive	✓
12	Siyemba Mining	✓
13	Snowden Training Pty Ltd	✓
14	Technology Risk Solutions	✓
15	Triton Training & Development	✓
16	Vuselela Empowerment Institute	✓
17	Xtract Training Services SA	✓
18	Zurel Bros	✓
19	Top Performers for Africa	✓



The Learning Programmes unit continued to support other skills programmes. A total of 9 522 learners have been registered and 11 292 learners completed skills programmes.

NSDS Success Indicator, 2.8 (Employed learners) Skills Programme		
18.1 Registered learners	**Target**	**Actual achievement**
	5 000	9 522
18.1 Completed Skills Programmes	**Target**	**Actual achievement**
	4 500	11 929

4.3.4.2. Mine Inspector Training

This project contributes to sound mine health and safety by developing well-rounded mining inspectorate expertise in the management of legal risk exposure, root cause analysis, occupational health and hygience, surface safety, underground safety, SHEQ management, international SHEQ management standards and practical visits. During 2009-10, 115 employees from the regional offices of the Department of Mineral Resources received training. IRCA (Pty) Ltd was appointed as the training provider.

4.3.5. Lecturer and Trainer Support

This programme focused on assisting the mining and minerals departments of six universities to achieve employment equity and transformation targets among their lecturing staff.

For the 2009-10 financial year, a total of 14 lecturers were appointed to lecture in the Mining, Geology and Mine Survey departments of the participating universities, as follows:

University of South Africa	one lecturer
University of the Witwatersrand	four lecturers
University of Johannesburg	three lecturers
University of Venda	two lecturers
University of Fort Hare	two lecturers
Rhodes University	two lecturers

4.3.6. Bursary Project

The project is aimed at creating a pool of qualified graduates to pursue careers within the mining and minerals sector, in support of the Mining Charter and the National Skills Development Strategy (NSDSII). The Bursary Scheme, which is funded from MQA surplus funds, has assisted 668 bursars (target 200) from HET institutions nationally.

In 2009-10, a total of 48 bursary students (target 100) successfully completed their studies.

4.3.7. Work Experience

The MQA assists learners to obtain their university qualifications by enabling them to gain the practical work experience required. During the year, a total of 661 students (target 112) were placed with 20 mining companies to gain workplace experiential training. This number includes 99 learners who were assisted with vacation work placements. A total of 1 329 students received assistance with bursaries and work experience in the 2009-10 financial year.

Work Experience Learners

NO	CRITICAL AND SCARCE SKILLS	TOTAL 2009-10	STUDYING 2009-10	WORK EXPERIENCE
1	Analytical Chemistry	44	24	20
2	Chemical Engineering	205	36	169
3	Electrical	140	33	107
4	Electro-Mechanical Engineering	25	25	0
5	Extraction Metallurgy	33	33	0
6	Geology	132	52	80
7	Industrial Engineering	102	95	7
8	Jewellery Design	34	34	0
9	Mechanical Engineering	262	175	87
10	Metallurgical Engineering	191	80	111
11	Mine Survey	51	45	6
12	Mining Engineering	110	36	74
	TOTAL	1 329	668	661

4.3.8. New Venture Creation Project

This programme was developed in support of the National Skills Development Strategy (NSDS II) targets and seeks to provide business management-related training to historically disadvantaged individuals who have just established or want to establish their own mining-related enterprises.

Three Services SETA-accredited training providers were appointed to train 166 learners (target 130) in three provinces, namely Gauteng (Germiston and Randfontein), North West Province (Klerksdorp and Lichtenburg) and Northern Cape (Kimberley and Kuruman). The accredited training providers were Letsatsi Solutions, Kingsbury and African Union.

A total of 166 learners (target 130) were trained and mentored in the three provinces.

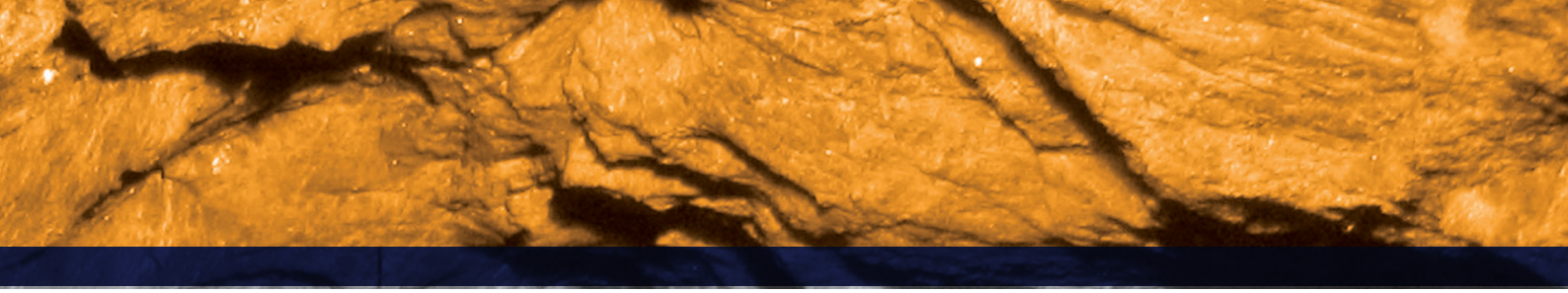
4.3.9. SME and Retrenchees Skills Development Support

4.3.9.1. Small-scale Mining Project

The focus of this project is on training and building the capacity of small-scale miners (SMEs). This project, which receives strong support from the Department of Minerals Resources, saw 697 learners, including women in mining, receiving small-scale mining technical training in all the nine provinces. The training providers appointed were Siyemba, Blue Nightingale and Mintek.

4.3.9.2. Training Voucher Project

The SME Training Voucher programme focuses on annually increasing the number of small BEE firms and BEE co-operatives receiving skills development support. Progress is measured through annual surveys of BEE firms and Co-operatives within the sector.



A total of 146 BEE firms (target of 60) underwent different training interventions in 2009-10 in addition 1 467 beneficiaries received training on different programmes. A total of 700 of the beneficiaries were retrenched workers. 146 learners received training in New Venture Creation skills from the following accredited training providers: Tsheza Training, AGB Mathe, VPK Training provider, DNB Consulting Training.

4.3.10. Training Layoff Scheme

The project is aimed at identifying workers who are about to be retrenched and assisting them through skills development initiatives. In the 2009-10 financial year, only one company participated in the scheme. Blyvooruitzicht Gold Mining placed 13 learners on the layoff scheme, of whom five are in training at Goldfields Academy in Level 3 Rock Breaker Training and eight learners are in training with Ergo Academy in Electrical Engineering/ Fitting and Machining.

4.3.11. Jewellery and Diamond Beneficiation Projects

These two projects are aimed at effectively adding to the current MQA initiatives in support of mineral beneficiation in South Africa.

The Jewellery Project is implemented jointly with the Jewellery Council of South Africa through a Memorandum of Understanding.

One of the achievements of the Jewellery Industry Support Project is the trade test readiness assessment which was completed in collaboration with Indlela, the artisan moderating body where learners do trade tests. A total of eight lecturers have already been assessed and found competent to access the Goldsmith Trade Test. Another highlight was the establishment of the Moderators Forum for Jewellery Manufacturing and Design. It was established in conjunction with the industry and was operational as at 31 March 2010. A total of R2 555 466.53 has been distributed by the MQA in support of the jewellery industry project.

In the case of the Diamond Industry Support Project, the following milestones were achieved:

- 100 learners completed the Diamond Processing learnership at Level 3.
- 143 learners completed the Rough Diamond Evaluation Course.
- 40 learners completed the Polished Diamond Grading Course.
- 40 SMMEs were supported through skills development programmes.
- 50 Assessors and Moderators were supported through the Assessor Training Course.
- 25 learners were supported through the Entrepreneur Development Programme.

A total of R3 400 000.00 has been disbursed by the MQA in support of the Diamond Industry Project.

4.3.12. National Skills Fund

4.3.12.1. National Skills Fund - Project 1

The MQA has committed itself to contribute to the national drive to assist young unemployed people in obtaining artisan qualifications and entering into internships. The NSF project is a joint funding initiative between the MQA and the National Skills Fund (NSF), and was aimed at placing 69 unemployed graduates in internships and 64 unemployed learners in artisan learnerships. The table overleaf outlines the progress made with the NSF 1 internhip programme, for which a total of 77 candidates were registered.

Internships – NSF 1

NO	NAME OF COMPANY	INITIAL NUMBER OF CANDIDATES RECRUITED	NO OF CANDIDATES PERMANENTLY EMPLOYED/PASSED AWAY/DISMISSED	NO OF CANDIDATES STILL IN TRAINING
1	Xstrata	11	9	2
2	Goldfields	3	3	0
3	Harmony	21	13	8
4	Minopex	17	13	4

NO	NAME OF COMPANY	INITIAL NUMBER OF CANDIDATES RECRUITED	NO OF CANDIDATES PERMANENTLY EMPLOYED/PASSED AWAY/DISMISSED	NO OF CANDIDATES STILL IN TRAINING
5	Modikwa	1	1	0
6	De Beers	5	5	0
7	Lafarge	10	5	5
8	Mintek	9	1	8
TOTAL		77	50	27

The candidates who have completed two years in training are assessed by the Subject Matter Experts appointed by the MQA. The total number of candidates permanently employed is 31. This represents a 40% permanent placement success rate to date. The project comes to an end on 30 November 2010.

In the case of NSF 1 learnerships, a total of 62 learners were registered in learnerships, as depicted in the table below.

Learnerships – NSF 1

NO	NAME OF COMPANY	INITIAL NUMBER OF LEARNERS RECRUITED	NO OF CANDIDATES PERMANENTLY EMPLOYED/COMPLETED TRAINING	NO OF LEARNERS STILL IN TRAINING
1	Xstrata	30	0	30
2	Anglocoal	7	7	0
3	Palabora	11	11	0
4	Angloplatinum	14	2	12
TOTAL		62	20	42

4.3.12.2. National Skills Fund - Project 2

The NSF 2 project follows on the success of the MQA NSF 1 project and aims to support a total of 1 000 unemployed artisans over a five-year period through group learnership intakes. Only three companies have been participating in this project to date. Companies have shown little interest in hosting learners, which is an indication of the adverse impact of the global economic crisis in the year under review. A total of 25 learners were registered for these learnerships, as depicted in the table overleaf:

NO	NAME OF COMPANY	INITIAL NUMBER OF LEARNERS RECRUITED	NO OF CANDIDATES PERMANENTLY EMPLOYED	NO OF LEARNERS STILL IN TRAINING
1	Goldfields	12	0	12
2	Minopex	4	0	4
3	Crown Gold Recoveries (PTY) LTD	9	0	9
Total		**25**	**0**	**25**

4.3.13. Maths and Science Pilot Project

A total of 500 matriculants in five regions participated in the Maths and Science Pilot project. The assistance provided to learners was extra curricula and took place in the afternoons on Fridays, Saturdays and Sundays. Winter and spring schools were also held during the holidays.

The project was targeted at historically disadvantaged learners from rural communities in mining related areas.

The learners were spread across the provinces and schools as follows:

PROVINCE	TOWNSHIP/VILLAGE	SCHOOLS (SENIOR SECONDARY / HIGH)	HOST SCHOOL	NUMBER OF LEARNERS
North West	Bapong Area	1. Michael Modisakeng 2. Malatse Motsepe 3. Mogale 4. St. Teresa 5. Rakgatla 6. Thabo Morula	St. Teresa	60
Limpopo, Burgersfort	Driekop Area	1. Dihlabakela 2. Makopi 3. Ratanang 4. Maboragane 5. Mohlala Morudi 6. Matladi A Phahla 7. Makgamathu 8. Tekanang 9. Mokwadibe	Dihlabakela	110
KwaZulu-Natal, Richards Bay	Esikhaweni Area	1. Khula High 2. Tisand 3. Hlamvana 4. Mdlamfe 5. Dlangubu 6. Matamzana - Dube	Tisand	110
Free State, Lejweleputswa District	Thabong Area	1. Lephola 2. Lebogang 3. Lenakeng 4. Leseding 5. Welkom 6. Nanabolela 7. Thutagauta	Leseding	110

Province	Township/Village	Schools (Senior Secondary / High)	Host School	Number of Learners
Mpumalanga, Witbank District	Kwa Guqa Area	1. Zacheus Malaza 2. Leonard Ntshuntshe 3. Kopanang 4. Phillip Ndimande 5. Bongi Ntsimbi 6. TP Selelo 7. Mehlwana 8. Pine Ridge	Bongi Nsimbi	110
			TOTAL	**500**

Great success was obtained on the project with the results being as follows:

Mathematics

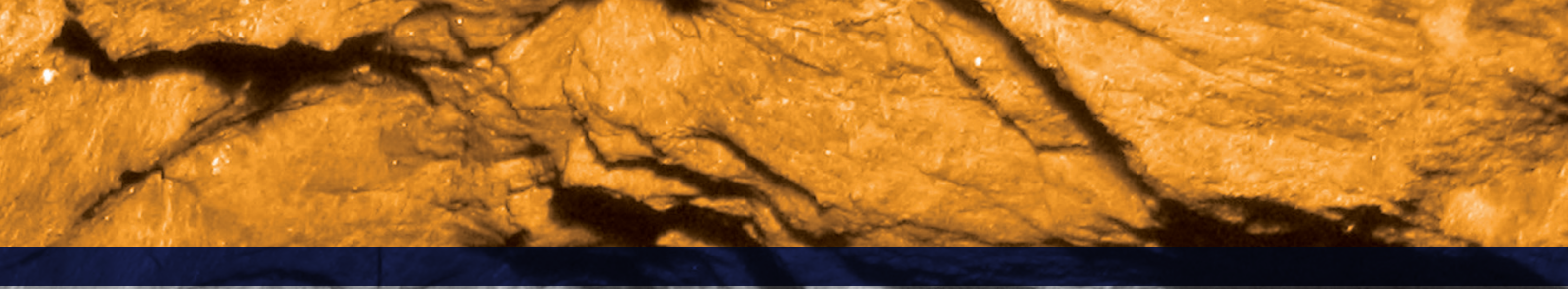
- 80% of the learners passed maths
- 6% of those learners obtained distinctions
- 42% of those learners obtained university entrance
- 20% of the learners failed or obtained supplementary examinations.

Physical Science

- 61% of the learners passed science
- 1% of those learners obtained distinctions with one learner obtaining 100%
- 20% of those learners obtained university entrance
- 39% of the learners failed or obtained supplementary examinations.

4.3.14. Disability

A proposal was approved to ensure that the MQA improves its disability efforts in the sector. A toolkit is due to be compiled and will serve to educate the sector about issues of disability, as well as reasonable accommodation. Companies will be encouraged to recruit learners with disabilities and the engagement process has commenced with a number of companies.



4.4. Quality Assurance

The primary function of the MQA ETQA is to:

- Accredit and programme approve training providers for specific skills programmes 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 with SAQA has been extended to September 2011.

4.4.1. Training providers accredited with the MQA

A total of 54 accreditation and programme approval audits were conducted during 2009-10.

For the 54 accreditation audits that were conducted, 20 providers received provisional accreditation, 21 full accreditation and 6 were re-accredited. Seven providers did not retain their accreditation status by allowing it to lapse.

In addition, 10 programme approval audits were conducted, resulting in two providers retaining programme approval status and eight receiving programme approval.

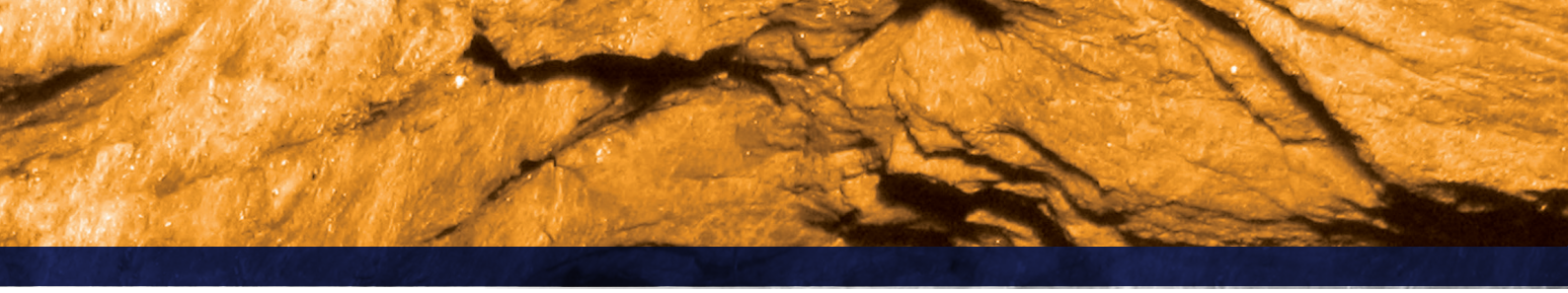
Details of these eight providers are listed below.

PROVIDERS	PROVIDERS RECEIVING PROGRAMME APPROVAL IN 2009-10
1	Atlas Copco
2	QPD Consultant
3	MCD Training Centre
4	Sandvik
5	KB Consulting
6	Inkezo Solutions
7	Dinyane Education and Training
8.	Core Training International

4.4.2. Assessor and moderator registration

The transition from the previous database to MQA-I-Share resulted in a number of challenges for the ETQA unit. The impact was felt in the 2009-10 financial year. Amongst other problems encountered, was the registration of assessors and moderators.

The submission of applications without all the necessary information was another concern as there were delays in the registration process because of back and forth communication between the ETQA and the applicants.



4.4.2.1. Interventions put in place by the ETQA unit:

- As part of the strategy to address assessor and moderator registration, a decision was undertaken to secure extra resources through the services of an external consultant to assist with the registration backlog.
- Various strategies and well-organised methodologies were explored and adopted in order to address the challenges in this area.
- An online process for registering assessors and moderators was initiated through MQA-I-Share. The development of this functionality is underway with Deloitte and will be ready for implementation in the next financial year.

Through these interventions, the unit managed to register 626 assessors and 102 moderators in the 2009-10 financial year.

4.4.3. Certification

Certification verification, printing and distribution continued to be problematic in 2009-10.

Some of the challenges encountered were data migration issues and instability of the MQA-I-Share system with regards to the functioning of the system rules when processing certificates.

4.4.3.1. Interventions put in place by the ETQA unit:

- The services of an external service provider were secured to assist with the printing, verification and distribution of certificates
- One-on-one engagement was undertaken with providers to address their capacity problems in terms of capturing assessments on MQA-I-Share so that certificates can be issued.
- There was ongoing engagement with different providers to inform them about the requirements of the Department of Higher Education and Training for submission of certificates for signing by the Registrar of Manpower Training.
- An efficient process of certification distribution was implemented.

4.4.4. Discretionary grants and projects administered

ISO 9001-2008 grant: 28 training providers were assisted in this financial year to achieve the ISO certificate.

Institutions of Sectoral and Occupational Excellence (ISOE) Project: Eight institutions were assisted in the quest to be recognised as ISOEs in the future. A further 16 were recognised as ISOEs in 2009-10.

Personal Digital Assistance (PDA) Project: 150 PDA assessment guides were developed.

4.4.5. Recognition of Prior Learning (RPL) Project

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

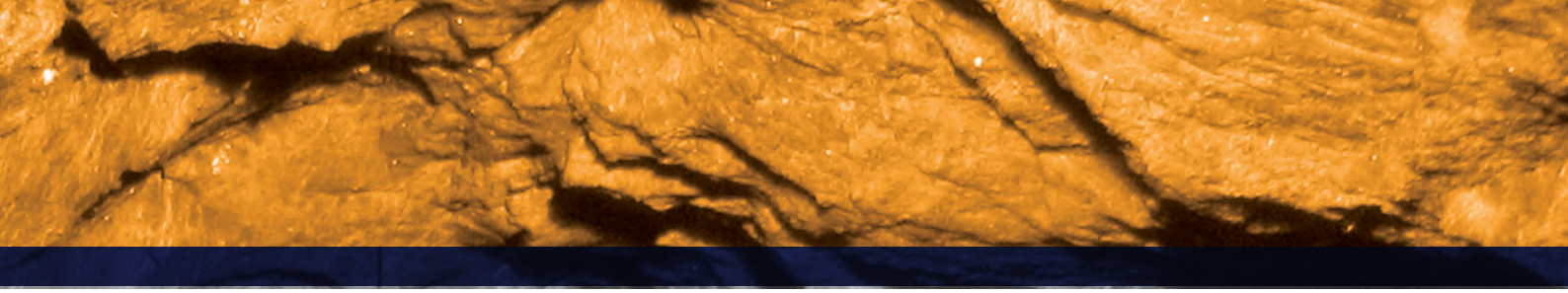
4.4.6. Foundational Learning Competence (FLC) - Upskilling of ETDP Project

The Foundational Learning Facilitator qualification aligned at NQF Level 5 with 72 credits and its curriculum (Foundational Communication in English [FC] and Foundational Mathematical Literacy [FML]) is defined as an occupational qualification. It is aimed at facilitators and trainers who are responsible for delivering learning programmes in either FC or FML, to learners who themselves are to be engaged in occupational learning programmes.

The two main aims of the training programmes linked to this qualification are to:

- Build and maintain the quality of provision of Foundational Learning, given the important role it has to play in occupational learning. The competence of facilitators is key in this regard.
- Professionalise the training function, raising the status of those who facilitate learning in an industry or trade context, and beginning a process for the ongoing professional development of occupational education and training practitioners.

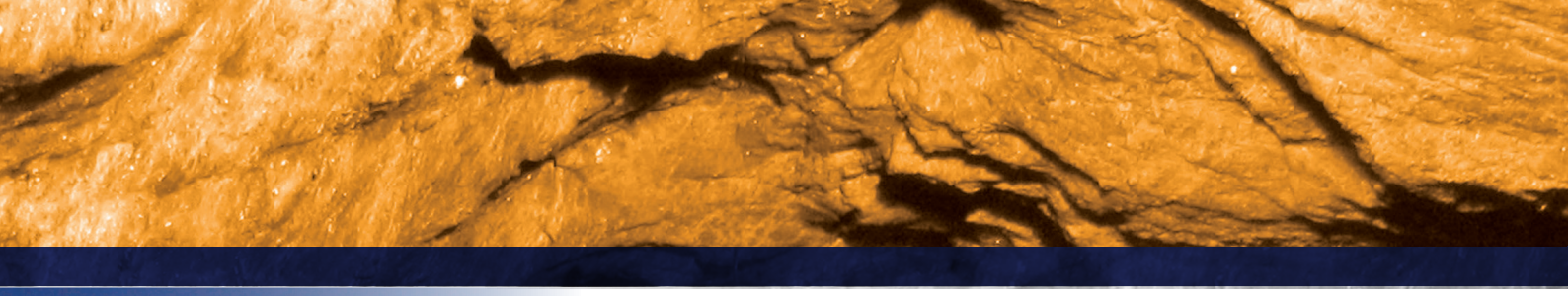
In addition the development of FLC Facilitators has been commenced; 18 participated in the Foundational Mathematical Literacy programme and 16 in the Foundational Communications programme from the diverse population of the sector.



4.4.7. Accreditation Scope Extensions granted by SAQA

List of Qualifications Granted by SAQA to the MQA for Quality Assurance in the Period April 2009 - March 2010

NUMBER	DATE	QUALIFICATION ID	QUALIFICATION TITLE	LEVEL
1	12-May-09	65209	National Certificate: Jewellery Manufacturing	3
2	21-May-09	59689	National Certificate: Mechanical Engineering	2
3	21-May-09	59709	Further Education and Training Certificate: Engineering: Fitting	4
4	21-May-09	64189	National Certificate: Metals Production: Mining and Minerals	2
5	21-May-09	64190	National Certificate: Metals Production: Mining and Minerals	3
6	21-May-09	64209	Further Education and Training Certificate: Metals Production: Mining and Minerals	4
7	29-Jun-09	60272	National Certificate: Generic Management: Cement Manufacturing	5
8	29-Jun-09	64869	National Certificate: Generic Management: Mining Management	5
9	03-Jul-09	72071	National Certificate: Electrical Engineering: Mining	3
10	03-Jul-09	72069	Further Education and Training Certificate: Electrical Engineering: Mining	4
11	18-Aug-09	64909	National Certificate: Small Scale Mining	2
12	18-Aug-09	64249	Further Education and Training Certificate: Diamond Design and Evaluation	4
13	22-Sep-09	64729	Further Education and Training Certificate: Diamond Processing	4
14	23-Sep-09	66070	General Education and Training Certificate: Chemical operations: Mining and Minerals	1
15	13-Oct-09	21843	National Certificate: Diamond Processing: Polisher – Brillianteer	3
16	13-Oct-09	21845	National Certificate: Diamond Processing: Polisher – Crossworker	4
17	13-Oct-09	49049	Further Education and Training Certificate: Lump Ore Beneficiation	4
18	21-Oct-09	74292	National Certificate: Occupational Health, Safety and Environment: Mining and Minerals	2
19	10-Nov-09	67429	National Certificate: Electrical Engineering: Mining and Minerals	2
20	11-Jan-10	72071	National Certificate: Electrical Engineering: Mining	3
21	11-Jan-10	72069	Further Education and Training Certificate: Electrical Engineering: Mining	4
22	02-Feb-10	73312	Further Education and training Certificate: Laboratory Analysis: Mining and Minerals	4
23	16-Mar-10	74490	Further Education and Training Certificate: Mining Operations	4





Section 5: Corporate Services

5.1. Corporate Governance

- 5.1.1. Governance Structures
- 5.1.2. Strategic Planning Session
- 5.1.3. Evaluation of the Board
- 5.1.4. Risk Management
- 5.1.5. Capacity Building
- 5.1.6. Declaration of Interest

5.2. Customer Service and Communication

- 5.2.1. Promotion of the MQA
- 5.2.2. National Newspapers and Publications
- 5.2.3. Events, Roadshows and Exhibitions
- 5.2.4. Exhibitions
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- 5.2.6. Customer Satisfaction Survey
- 5.2.7. Good Practices in Skills Development Awards

5.3. Human Resources

- 5.3.1. Staff Growth
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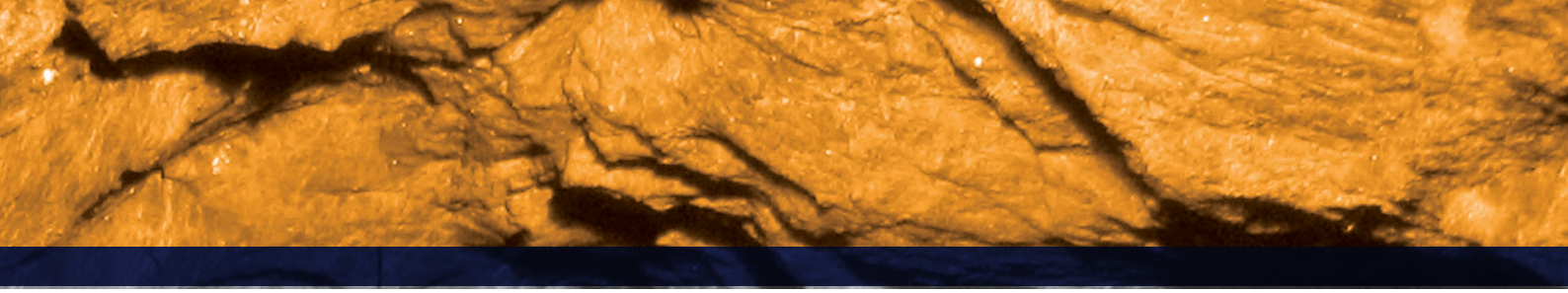
- 5.3.8. Management Levels
- 5.3.9. Remuneration
- 5.3.10. Resignations
- 5.3.11. Appointments

5.4. Facilities



5.1. Corporate Governance

> The year under review was challenging from an operational and strategic perspective, taking into account the challenges faced by the global economy on the one hand and the changes brought about by the institutional framework of SETAs under its new Executive Authority, the Minister of Higher Education and Training.

The manner in which power is exercised in an organisation is seen in the maturity of its corporate governance framework. The MQA is proud to be an organisation whose values are embedded in the principles of good corporate governance. From an institutional and operational perspective, the MQA has produced an outstanding set of financial results. This could not have been achieved without the visionary leadership of the Board, which exercises strategic leadership over the MQA legislative mandate and operational oversight of performance.

5.1.1. Governance Structures

In the execution of its oversight function, the Board is assisted by six standing committees, namely:

- Audit Committee including Risk
- Finance Committee
- Skills Research and Planning Committee
- Learning Programmes Committee
- Standards Generating Committee
- Education Training and Quality Assurance Committee

The year under review also saw the establishment of an independent Remunerations Committee to ensure a staff remuneration framework aimed at attracting and retaining a competent workforce.

The Board is satisfied with the oversight role of the Audit Committee in line with its mandate in terms of the Public Finance Management Act, 1999.

5.1.2. Strategic Planning Session

The strategic planning session of the Board took place on 20 and 21 January 2010 to review the strategic objectives and the proactive skilling of the mining and minerals sector workforce through targeted skills development programmes.

The strategic planning session also enabled the Board to deliberate on various policy initiatives aimed at streamlining operational processes. It further enabled the Chief Executive Officer to prepare operational plans to implement strategic objectives and finalise the Shareholders Compact with the Department of Higher Education and Training.

5.1.3. Evaluation of the Board

The performance and effectiveness of the Board and standing committees are evaluated annually to ensure greater effectiveness.

The performance and effectiveness of the Audit Committee and Internal Auditors were evaluated and found to be effective.

5.1.4. Risk Management

The annual risk management workshop of the Board took place on 17 February 2010. This workshop reviewed the pervasive risks that the organisation is facing and the control measures to mitigate the impact of the risks if occurring.

The effectiveness of control measures are assessed by the Internal Auditors as part of their annual operational plan. The Risk Management Committee assesses individual risks on a quarterly basis and reports to the Audit Committee.

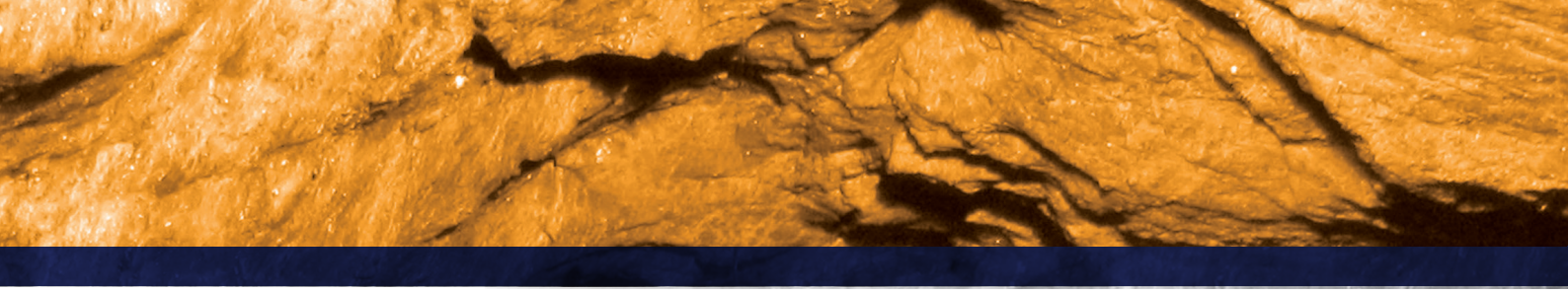
5.1.5. Capacity Building

A workshop with organised labour representatives took place on 4 June 2009 with the aim of capacitating members on the format and signing off of the Workplace Skills Plan and Annual Training Report.

The annual Board induction workshop took place on 19 June 2009.

All Board members were introduced to the King III report on Corporate Governance on 1 September 2009.

A workshop on finance for non-financial managers took place on 16 and 17 July 2009 to contribute to the improved understanding of financial management practices within the SETA environment.

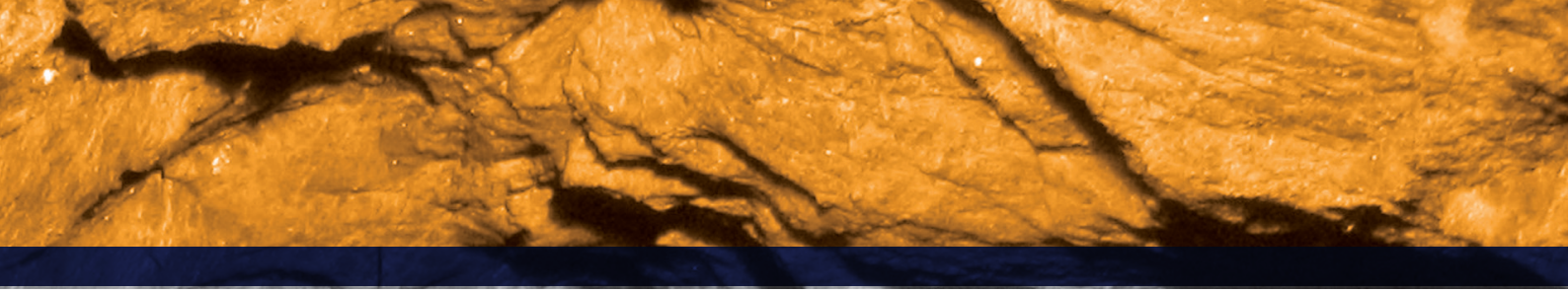


A capacity-building workshop took place on 22 and 23 February 2010 to prepare stakeholders for the review of the Mining Charter in March 2010.

Ongoing capacity-building initiatives on corporate governance, risk management and the role of a Board in implementing organisational strategy take place in collaboration with the Institute of Directors.

5.1.6. Declaration of Interest

All Board, Audit Committee and Remunerations Committee members and staff declare direct or indirect business and private interests on an annual basis. Control measures to manage related party transactions have also been monitored and implemented.



5.2. Customer Service and Communication

During the year under review, the five-year Communications Strategy (2006 – 2010) was also realigned to allow for refocusing, thus ensuring targeted efforts and continuous improvement, as well as to engage in activities that are in line with the changes within the SETA landscape and budgetary parameters. The Communication Strategy ensures that a planned communication approach is agreed upon and adopted. It ensures that the MQA successfully meets and exceeds its stakeholder expectations in line with its legislative mandate, vision, mission and identified strategic focus areas within the organisation.

The primary objective is to inform all stakeholders from all demographics about projects that the MQA has embarked on in the financial year as well as inform them of new developments and programmes in which they can participate. The Communications unit has built its reputation as a credible and reliable source of communication for the sector and has positioned the MQA favourably within the mining and minerals sector.

5.2.1. Promotion of the MQA

The MQA continued to promote its activities by using a range of printed, electronic and face-to-face media. These included the MQA's quarterly newsletter, annual report, newsletters, the career brochure, company brochures, newspaper and magazine articles, company videos, the website and ad hoc targeted communiqués to the sector.

Various events were also held throughout the financial year such as roadshows, information sessions, exhibitions, conferences and workshops. The MQA will continue to raise awareness of its efforts through radio, television and face-to-face visits to its stakeholders.

The 2008-09 annual report was produced timeously and submitted to the Auditor-General and finally tabled in Parliament on 10 November 2009. The Career Brochure and DVD were developed and designed to assist learners to source information on the various career options available in the mining and minerals sector and to further encourage learners to pursue technical careers. The brochure was well received by the Sector and presented to learners in towns and rural communities.

An aggressive media campaign took place in 2009-2010 and was based on the need identified by the SETA to be more visible. This was also to facilitate stakeholder confidence and increase understanding and knowledge amongst our stakeholders and media base. This was further supported by media breakfasts to allow the MQA to engage with journalists covering the sector. The media was 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.

5.2.2. National Newspapers and Publications

A total of 16 articles were published during the year and more than 43 advertisements were placed in various national newspapers and magazines. This served to inform stakeholders and the general public about skills development interventions in the mining and minerals sector.

Magazines such as the Mining News, Mining Weekly, Mining Mirror, Aspire Magazine, Opportunity, Ubuntu Magazine, Jewellex Networking Directory, Business Times, Gauteng Directory and Learnerships in SA were used to enhance communication efforts in the sector.

5.2.3. 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, Cape Town, Witbank, Welkom, Mthatha, Kimberley, Durban and Johannesburg during February 2010. The focus was on informing the sector of the MQAs achievements, the various projects for the upcoming financial year and challenges faced by the MQA.

The community roadshows took place in Taung in the North West Province, Middelburg in Mpumalanga, Burgersfort in the Limpopo Province and Nkandla in Kwa-Zulu Natal. This was to ensure engagement with rural communities in mining areas as well as communicate career options in the mining and minerals sector to the youth and teachers in the various communities.

Various mining related organisations were also involved in career workshops using the MQA career brochure. These include Lonmin in the North West, Burnstein Mines in Balfour Mpumalanga, the Chamber of Mines and Anglo Gold among others. The National Union of Mineworkers (NUM) has also used the career brochure to support their events. The MQA's 8th Annual Consultative Conference was held at the Indaba Hotel on 30 October 2009 and was attended by the Minister of Mineral Resources Ms Susan Shabangu who delivered the keynote address. The conference theme, ***'Skills Development for the Future'***, was aimed at informing delegates about the successes of the MQA and its future direction in relation to skills development in the sector. The MQA Executive management attended the Mining Indaba in Cape Town during February 2010. This was to ensure engagement with stakeholders in the sector at a senior level. International Literacy Day was held on 12 September 2009 in Palaborwa. This annual event was hosted by the MQA and NUM and was further supported by Palabora Rio Tinto. Over 1 000 community members attended the event.

5.2.4. Exhibitions

During the year under review, the MQA participated in the following industry-related exhibitions amongst others;

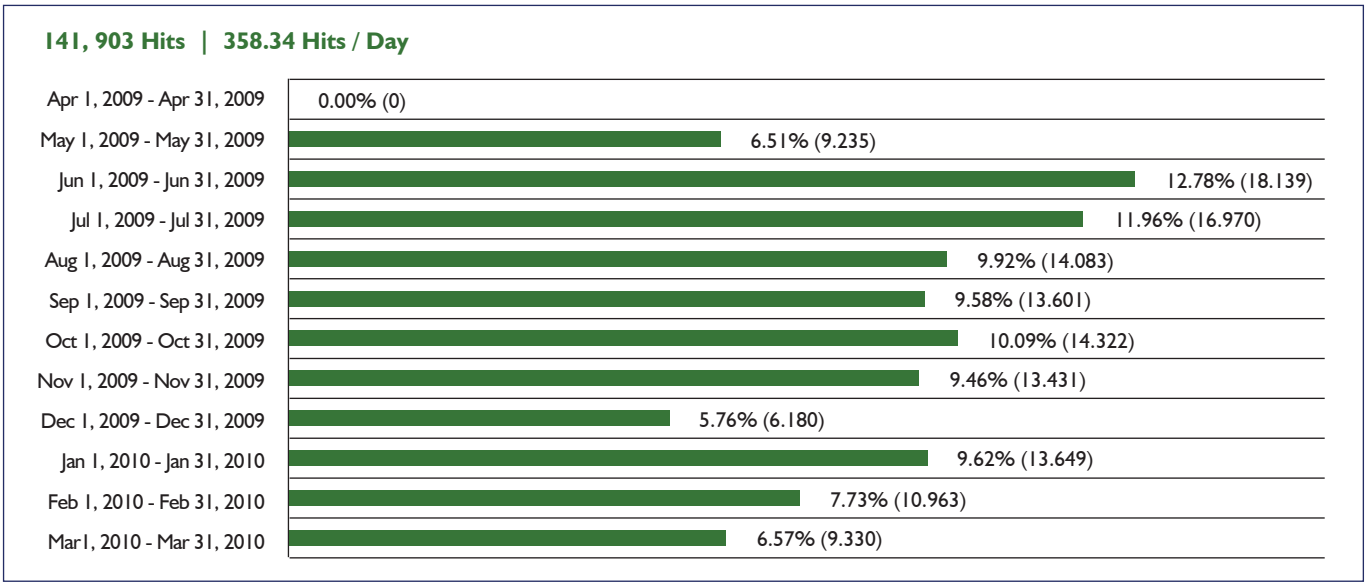
1. The Eastern Cape Skills Indaba, 26 and 27 February 2010
2. Lonmin Career Day on 2 and 3 June 2009
3. Department of Mineral Resources Learner Focus Week, held in East London from 6 to 10 November 2009
4. Jewellex International Exhibition, was held at the Sandton Convention Centre from 25 to 27 July 2009.
5. Human Resources Development Exhibition, held at Sandton Convention Centre from 12 to 14 August 2009
6. Beatrix Mine Career Exhibition held at Gold Fields Beatrix Mine on 4 June 2009
7. Department of Labour Youth Day Campaigns in Limpopo 12 June 2009
8. Working World Extravaganza in Port Elizabeth from 10 to 13 March 2010
9. Gauteng Legislature on Disability 11 March 2010
10. Annual Soweto Career Expo 23 and 24 March 2010

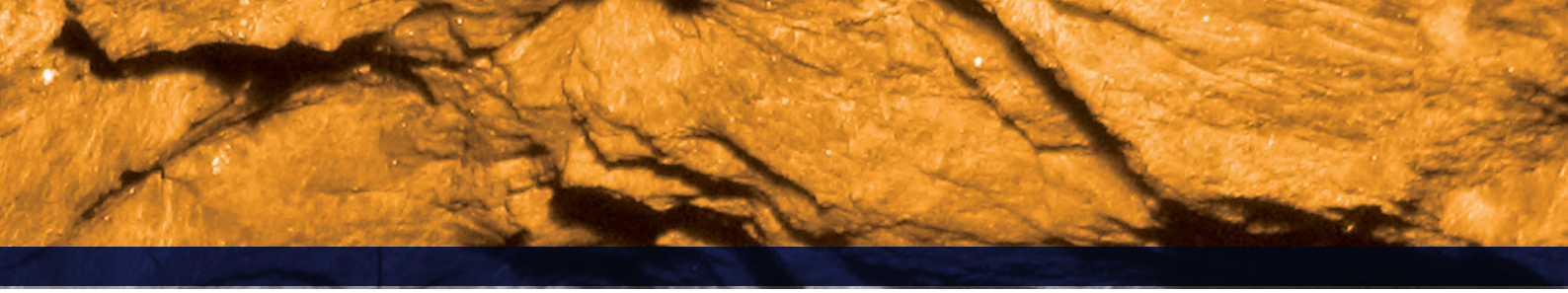
5.2.5. Website

The MQA continued to promote the website as a reliable source of information for existing and potential customers. Communication with the stakeholders was enhanced as they have become more interactive with the MQA. The website is also used for registration of MQA conferences and events. During the period 1 April 2009 – 31 March 2010, 141 903 users visited the website. The website experienced more than 350 visitors per day on average. The number of new visitors increased by 38% with 62% of visitors returning to the site.

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 9001:2008 office accreditation status as it monitors the turnaround time, efficiency and effectiveness of assistance provided to our customers.

The table below represents the number of hits on the MQA website from 1 April 2009 to 31 March 2010





5.2.6. Customer Satisfaction Survey

A comprehensive Customer Satisfaction and Climate Survey was conducted by JCP International to measure the impact of service delivery by the organisation to stakeholders and to determine the level of satisfaction with service delivery.

The total of 939 stakeholders which included providers, employers, skills development facilitators, DoL, DMR, SAQA, Board, EXCO various committee members and MQA staff participated in the survey. A 14% response rate was recorded.

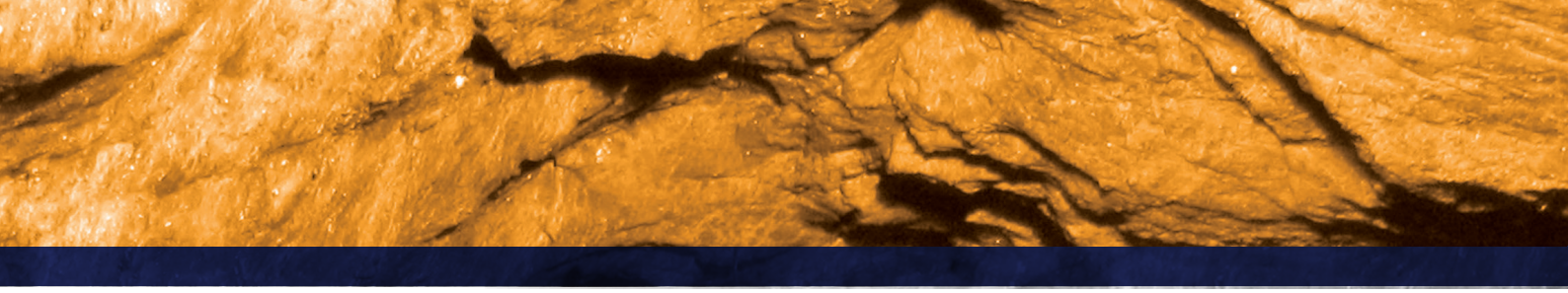
The results reflected improvement in some areas of the MQA but the implementation and operationalisation of the new management information system, MQA-I-Share was posing challenges for the MQA and stakeholders in particular. A follow up survey will be commissioned in the first quarter of the new financial year.

5.2.7. Good Practices in Skills Development Awards

The Good Practices in Skills Development Awards were promoted and successfully implemented during 2009. Seven companies that deliver skills development in the mining and minerals sector received Sector Awards. The names of the companies are:

SAFDICO SA
Pretoria Portland Cement (PPC)
Natal Portland Cement (NPC)
Zurel Bros SA
Pneuma Jewellers CC
Xstrata Coal
Minopex

The two companies shortlisted for the national awards are: Pretoria Portland Cement (PPC) and Zurel Bros SA.



5.3. Human Resources

The retention of quality skills remains a fundamental component of the MQA. The uncertainty of the SETA landscape and the pending rationalisation of SETAs were partly as a result of the high staff turnover in the previous financial year.

The high vacancy rate reduced substantially in the year under review and has stabilised. Particular emphasis will be placed on the identification of critical and scarce skills and the employee value proposition that are essential for consistent effective organizational performance.

The Human Resources unit has played a pivotal role in creating harmonised employment relationships amongst staff with the ultimate goal of making the MQA an employer of choice. Of particular significance was the continuation of the culture programme linked to capacity building events such as the teambuilding to improve staff morale.

The revised Human Resources policy and procedures manual was approved by the Board on 29 October 2009. The revised HR policy now makes provision for the issuing of discretionary awards to exceptional performers and long service awards.

5.3.1. Staff Growth

In the year under review, the MQA Board approved the position of Business Systems Manager. This was to ensure alignment and integration of business processes at an organisational level. The new position brings the total staff compliment to 62 permanent staff members. This total excludes the ten (10) Internship positions linked to a twelve month contract to gain work experience.

5.3.2. Employee Engagement

In line with the recommendations of the culture programme, the MQA staff is kept informed of the performance of the MQA and national and sectoral developments on a regular basis. Weekly communiqués issued by the communications unit further enhance employee engagement.

5.3.3. Wellness Programmes

The wellness programmes of the MQA was developed to encouraged wellness in the workplace. The programmes are supported by the HR policy to ensure employees become more productive in the workplace.

On 1st December 2009, MQA employees participated in a wellness day. Employees were treated to a number of health awareness sessions such as eye screening, blood pressure, voluntary testing for HIV/Aids and cholesterol amongst others.

One of the major challenges that staff were faced with during 2009 was the global economic recession. This placed strain on the ability of staff to continuously manage their finances and a consultant was arranged to educate staff on measures how to create a healthy balance between assets and liabilities and income and expenditure. The wellness programmes will be an ongoing initiative for the MQA in order to keep a healthy and productive workforce.

5.3.4. Performance Management

The MQA Performance management system is now fully aligned to the principles of the Balanced Scorecard methodology. The Board adopted the Balanced Scorecard as a monitoring tool for its annual Business Plan and Shareholders Compact with the Department of Higher Education and Training. The performance of staff is reviewed bi annually and rewarded accordingly.

5.3.5. Human Resources Development

The MQA has an integrated skills development strategy which enables the organization to identify individual potential and develop employees in line with the MQA strategic objectives. The MQA employees are the enabler of the skills strategy; this was evident when 71% of employees attended various training courses and 16 employees applied for the study aid assistance to further their studies.

The training interventions have been designed to address the areas of individual learning. These training interventions are evaluated against the individual performance assessment to ensure that they address the MQA requirements and challenges.

The Skills Development Committee oversees the implementation of the annual training and development calendar and the MQA Workplace Skills Plan and Annual Training report to ensure that relevant skills programmes are aligned to the operational needs of the MQA.

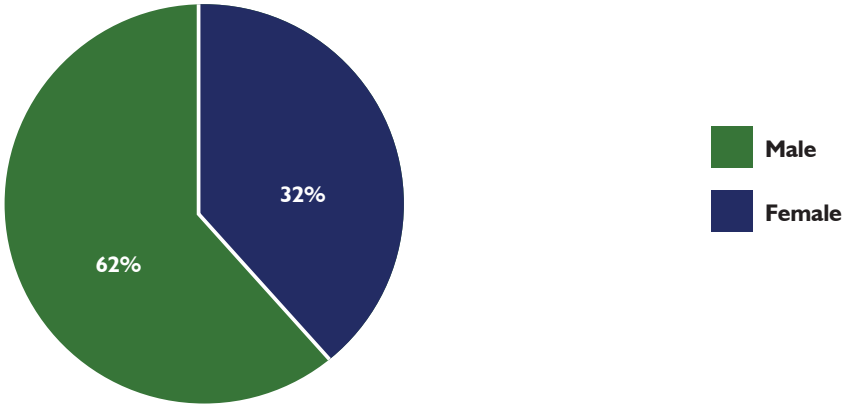
An MQA Management Development programme will be rolled out in the new financial year.

5.3.6. Transformation

The MQA has successfully achieved the employment equity targets in line with its approved employment equity plan.

5.3.7. Gender Profile

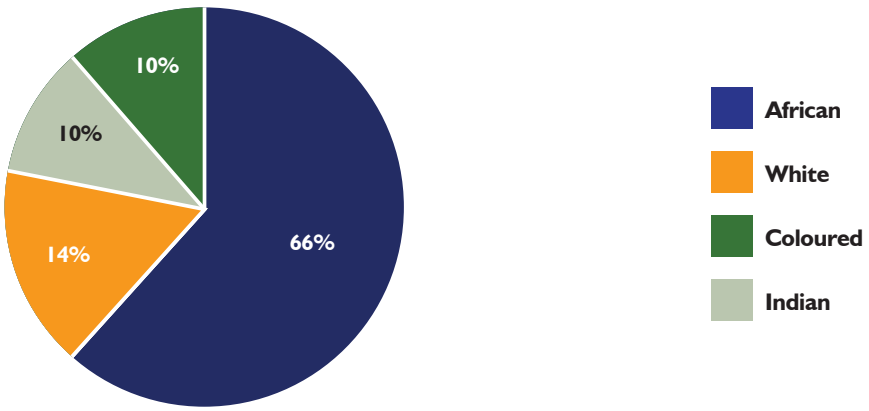
Gender Composition

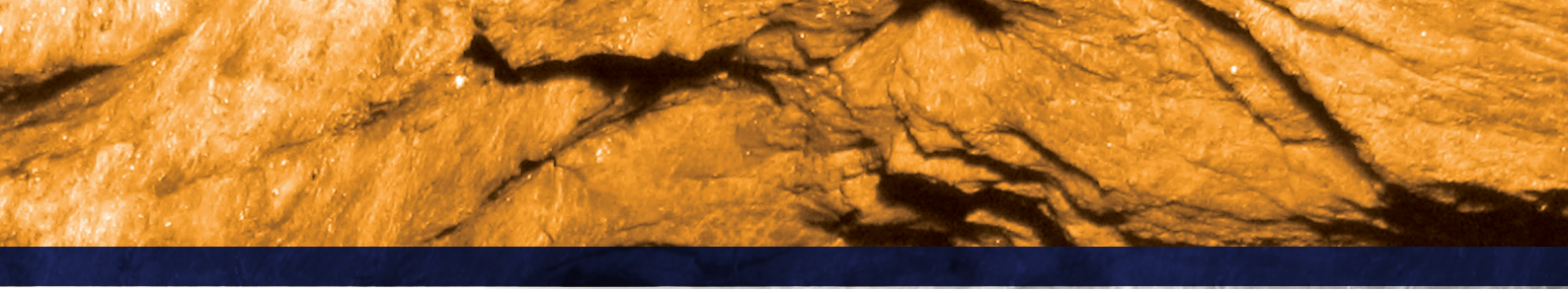


5.3.8. Management Levels

Management positions include executive managers, managers and specialists on the Paterson grading system (D-band and Upper).

Employment Equity at management level





5.3.9. Remuneration packages as at 31 March 2010 Occupational Category

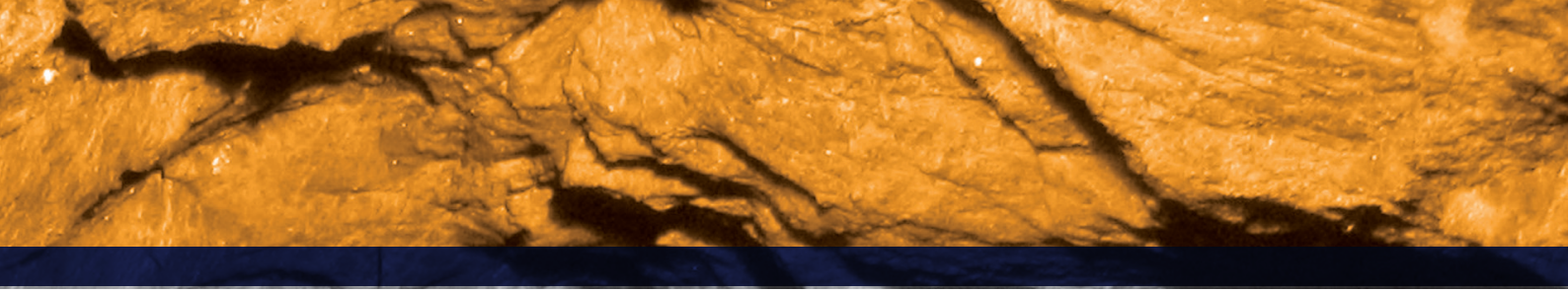
OCCUPATIONAL CATEGORY	TOTAL COST TO COMPANY
General administration and support	R103 696 – R131 240
Administrators	R148 891 – R209 800
Specialists	R320 196 – R398 235
Managers	R553 304 – R631 305
Executive Managers	R725 846 – R991 240

5.3.10. Resignations in the 2009-2010 Financial Year

	MALE				FEMALE				
Occupational category	A	C	I	W	A	C	I	W	TOTAL
General and support	1	0	0	0	0	0	0	0	1
Administrators	0	0	0	0	0	0	0	0	0
Specialists	1	0	0	0	0	0	0	0	1
Managers	1	0	0	0	0	0	0	0	1
Senior Officials/ Managers	0	0	0	0	0	0	0	0	0
Executive Managers	0	0	0	0	0	0	0	0	0
TOTAL	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**

5.3.11. Appointments in the 2009-2010 Financial Year

	MALE				FEMALE				
Occupational category	A	C	I	W	A	C	I	W	TOTAL
General and support	4	0	0	0	6	0	0	0	10
Administrators	2	0	0	0	2	0	0	0	4
Specialists	3	0	0	0	1	0	0	0	4
Senior Officials/ Managers	0	0	0	0	1	0	0	1	2
Executive Managers	0	0	0	0	0	0	0	0	0
TOTAL	**9**	**0**	**0**	**0**	**10**	**0**	**0**	**1**	**20**

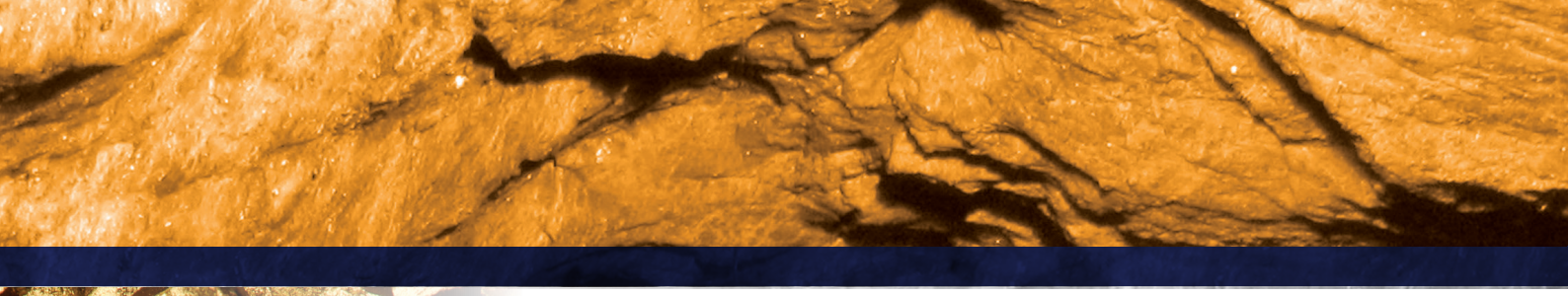


5.4. Facilities

The MQA has complied with the ISO 9001: 2008 Quality Management System standards since inception and has continued to maintain the quality standards in 2009. In the year under review two surveillance audits were conducted by Alpha Certification services. The results were positive and only minor observations were noted.

The MQA Board approved the acquisition of alternative office accommodation in the new financial year for an amount not exceeding R40 million which will be financed from interest income and the administration reserves.

The Occupational Health and Safety policy is now fully implemented and all appointed representatives attended training. No injuries on duty were reported in the period under review.



Section 6: Finance, Grant Disbursement and Management Information Systems

6.1. Financial Performance

6.2. Revenue

6.2.1. Skills development levies

6.2.2. Interest received

6.3. Expenditure

6.3.1. Mandatory grants expenditure

6.3.2. Discretionary grants expenditure

6.3.3. Administration expenditure

6.4. Financial Position & Cash Flows

6.5. Use of Consultants

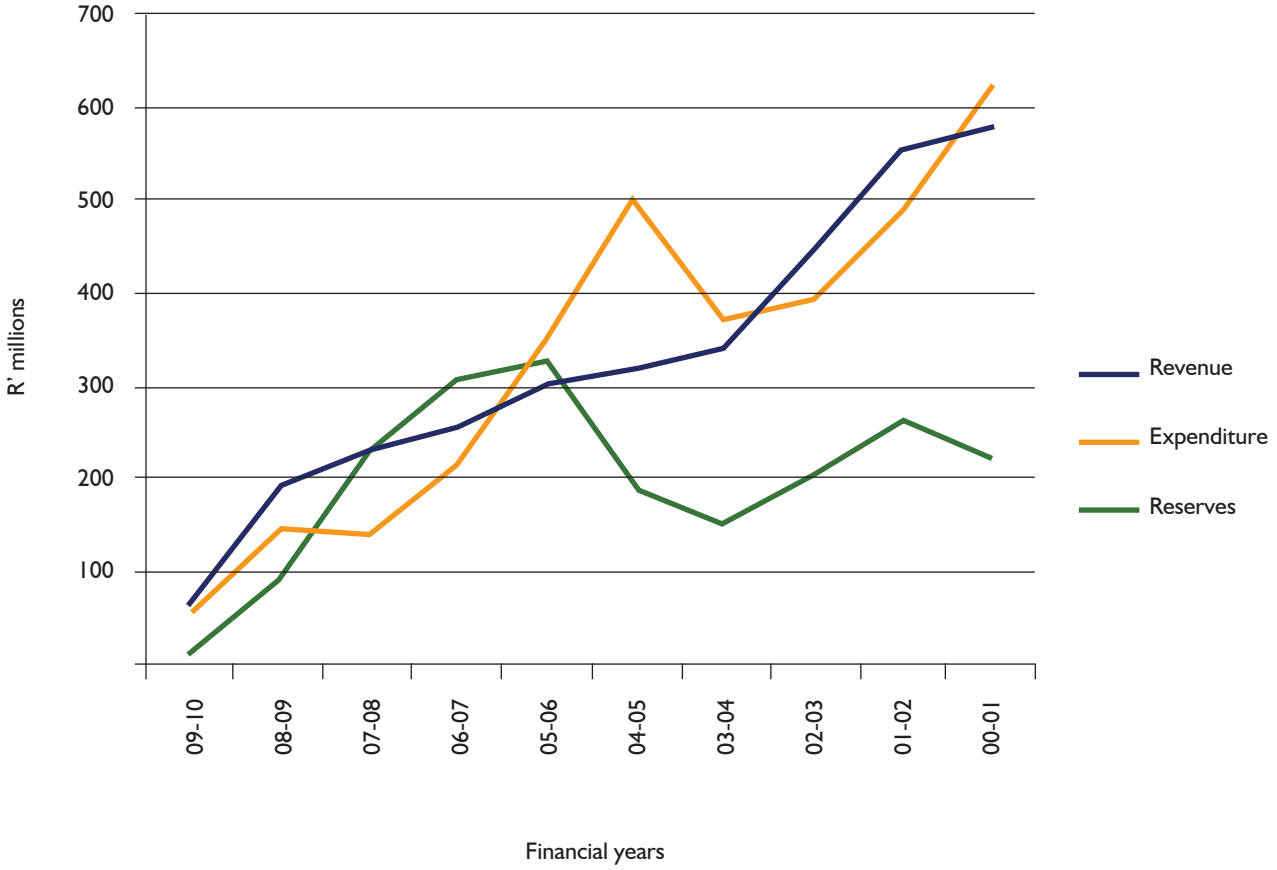
6.6. Supply Chain Management

6.7. Risk Management and Internal Control Systems

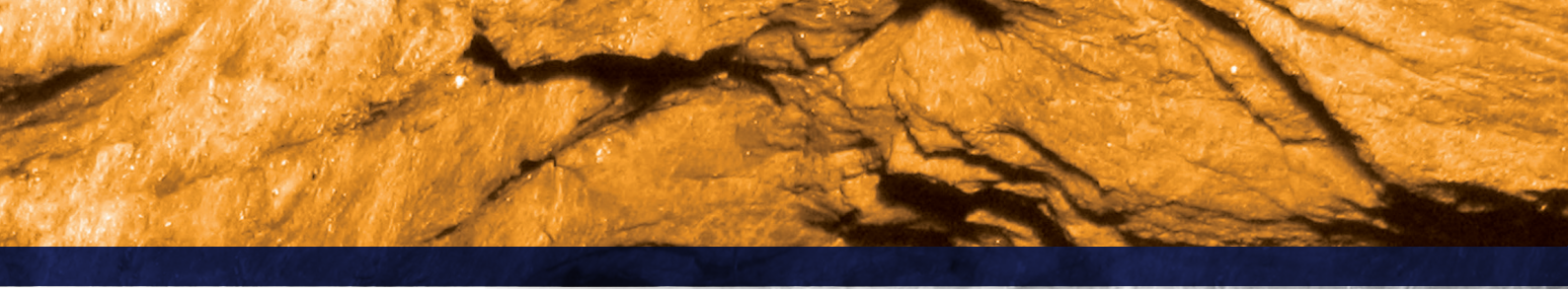
Another successful year for the MQA! This is the 9th consecutive year that the MQA prides itself for obtaining yet another unqualified audit opinion from the Auditor-General. The MQA has been consistent in its achievements in the past skills development decade. This financial year is also one that stands out for the MQA in terms of funds disbursements as detailed and depicted in the graph below.

6.1. Financial Performance

Revenue, expenditure and reserves



The statement of financial performance, read with Note 2 and note 8 to the AFS, provides information about the financial performance in respect of each category of our funds as well as comparisons to the budget.



6.2 Revenue

6.2.1. Skills development levies

Revenue increased by a moderate 8% whereas last year's increase was about 20%. This indicates the impact of shrinkage in employment in the mining industry as a result of the global economic crisis.

6.2.2. Interest received

Interest on bank accounts decreased by 24% compared with an increase of 41% in the previous year. This was as a result of the timeousness of our fund disbursement processes. Whereas the grant regulations require the organisation to disburse mandatory grants at least quarterly, a decision was taken in the interest of skills development to disburse mandatory grants on a monthly basis.

6.3. Expenditure

6.3.1. Mandatory grants expenditure

As indicated under interest above, the MQA started paying mandatory grants on a monthly basis. This was an achievement as it displayed that the MQA has a well-oiled machine in terms of delivery. This has resulted in the MQA disbursing 91% of all mandatory grant funds received, an increase of 7% compared to the 84% of the previous year. The remaining 9% was as a result of employers that did not submit claims for these grants.

6.3.2. Discretionary grants expenditure

Any good news for mandatory grants disbursements is bad news for discretionary grants funds as unclaimed mandatory grants are transferred to discretionary funds if all mandatory and discretionary grants only amounts to a mere 20% of levy contributions received by the MQA. In the year we disbursed a whopping 190% of discretionary grants compared to discretionary grants funds received. This was made possible by the utilization of reserves and unclaimed mandatory grants as well as interests received from the bank accounts. In comparison to the previous year this represents a 56% increase in discretionary grants expenditure.

6.3.3. Administration expenditure

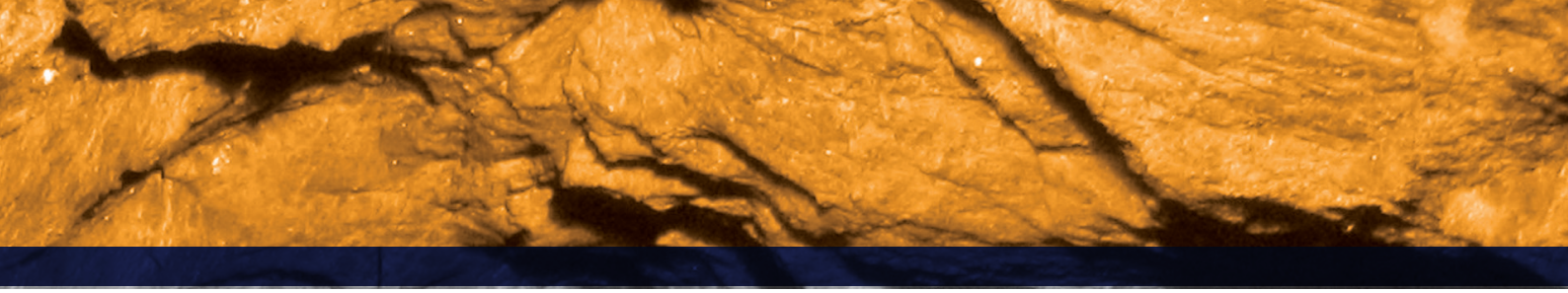
The grant regulations issued in terms of the Skills Development Levy Act require that funds that are received for administration purposes and are not utilized, must be transferred to discretionary funds. The MQA always willingly takes the initiative to save some funds from administration funds so that these are ploughed back into the discretionary funds and utilized for training. Our sound budgeting and budgetary control processes have seen us save R22 million of administration funds, R5 million more than the previous year's saving of R17 million.

With our lease agreement coming to an end in July 2010, we conducted an analysis of current rentals and discovered that they have substantially increased in the last 5 years, resulting in a decision being made to purchase an office building rather than leasing a building. This will ensure that there are higher savings in administration funds in the medium to long term.

6.4. Financial Position & Cash Flows

The statement of financial position and the notes thereto indicate that assets, the major part of which is the bank balance, decreased by 17 % as a result of the net cash outflows of R78 million, this is a 153% improvement from last years net cash inflow of R145 million. This is also reflected in the 20% reduction of liabilities from R193 million to R155 million.

There is a common mistake made by the general public when reading the financial statements of SETAs. Many focus only on the bank balance when they should really be ensuring that they read this together with the balance of liabilities that were due and payable at the same time. Equally, the commitments to signed contracts that will become due and payable after the year-end should also be looked at for a more complete picture.



6.5. Use of Consultants

	2008-09	2009-10	VARIANCE	COMMENTS
CONSULTANTS USED	29	54	25	Reduction in line with business plan and budget
AMOUNT	R2,135	R994	-R1,141	Reduction in line with business plan and budget

6.6. Supply Chain Management

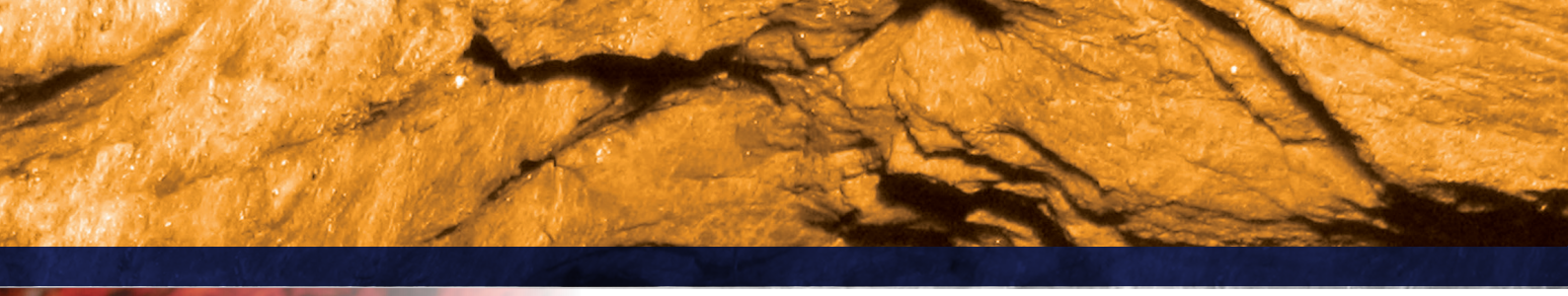
We have an established Supply Chain Management Unit as prescribed in Section 76(4) C of the PFMA. We have an established supplier database software that enables to clearly classify our suppliers into categories in terms of procurement legislation, rotate suppliers and draw reports on usage of each category.

In the 2009-2010 financial year the following tenders amongst others were awarded:

- R2.5 million to a non-profit organisation for the maths and science pilot project for extra curricula tuition after school and on weekends for Grade 12 learners from rural communities.
- R486 000.00 to a 100% black, woman owned company for learner certification verification.

6.7. 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.





Section 7: Report of the Audit Committee



Ms Antoinette Ngwenya



Mr Hale Qangule



Mr Livhu Nengovhela



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 2010.

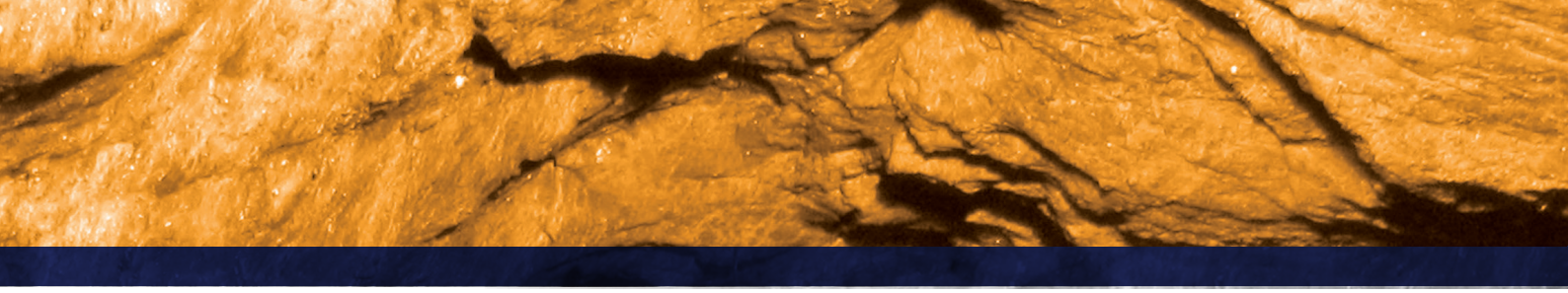
Audit Committee Members and Attendance

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

NO.	MEMBER	CONSTITUENCY	NUMBER OF MEETINGS ATTENDED	DATE STARTED	FEES PAID
1.	H Qangule*	Independent	4	Oct-00	R30 808 (1)
2.	A R Ngwenya°	Independent	4	Apr-09	R21 640 (3)
3.	Y N Gordhan	Independent	5	Sep-04	R33 396 (2)
4.	V Mabena	Board Representative	4	Apr-04	N/A
5.	D Mooketsi	Labour	6	Jul-08	N/A
6.	J Hugo	Labour	6	Apr-09	N/A
7.	S Mokgothu (Alternate)	Labour	3	Jul-08	N/A
8.	C Rivett-Carnac	Employer	5	Nov-08	N/A

***Chairperson**

°New appointment with effect from 01 April 2009.



State representatives were unable to attend the meetings due to capacity constraints.

(1) Fees for Audit Committee R25 308 and other meetings R5 500
(2) Fees for Audit Committee R25 768 and other meetings R7 628
(3) Fees for Audit Committee R19 512 and other meetings R2 128

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. Subsequent to the year-end the Board changed the terms of reference of the Audit Committee to include oversight of the risk management function.

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, an 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 merged the Risk Management and Fraud Prevention responsibilities with the Audit Committee function subsequent to year-end.

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 systems of internal control over financial reporting for the period under review were efficient and effective except for controls with regard to performance information. 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 2010, we are of the opinion that they comply in all material respects with the relevant provisions of the legislation and the appropraite accounting standards. This includes the provision of the Public Finance Management Act, No 1 1999, as amended, and South African Statements of Generally Recognised Accounting Practice, including any interpretations of such statements, where no GRAP standard exists. We are of the opinion 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 outsourced 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.

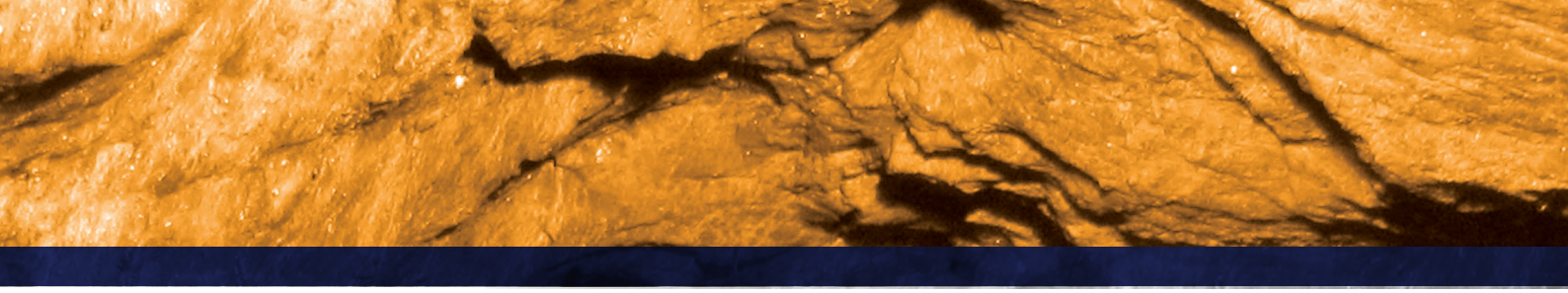


H Qangule
CHAIRPERSON

Date: 31 August 2010

Section 8: Report of the Auditor-General





REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE MINING QUALIFICATIONS AUTHORITY (MQA) FOR THE YEAR ENDED 31 MARCH 2010

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 2010 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act, 1999 of South Africa (Act No. 1 of 1999) (PFMA of SA). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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) (SDA), my responsibility is to express an opinion on these financial statements based on my audit.

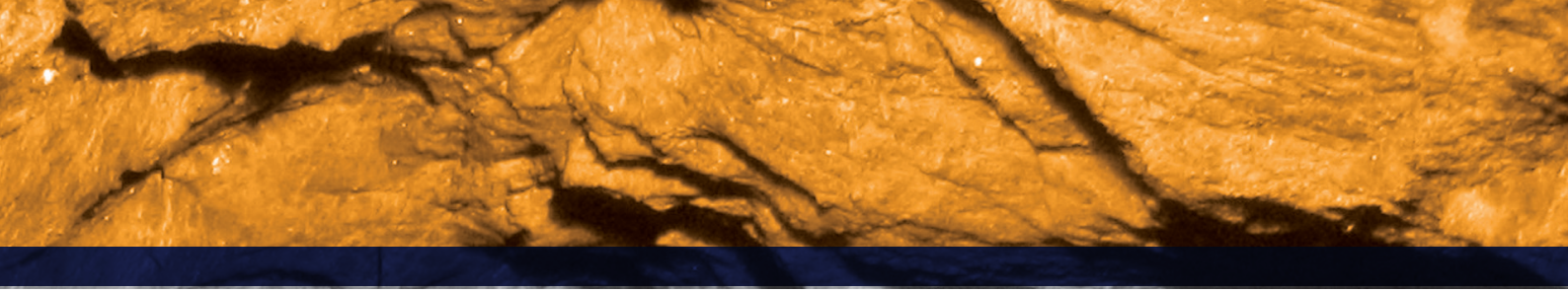
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 Mining Qualifications Authority for the year ended 31 March 2010, its financial performance and its cash flows for the year then ended in accordance with South African Standards of Generally



Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

Emphasis of Matter

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

Significant Uncertainty

9. As disclosed in note 21 of the AFS, the MQA has retained mandatory grant reserves of R1,598 million for payment of potentially liable mandatory grants pending the submission of applications by newly registered employers.

Restatement of Corresponding Figures

10. Misstatements in the corresponding figures were identified during our audit of the financial statements of the current year relating to capitalisation of cell phone and revenue adjustment for employers below threshold. As disclosed in note 23, the MQA corrected the misstatement by restating the corresponding figures.

Irregular Expenditure

11. As disclosed in note 24 of the AFS, the MQA has incurred irregular expenditure of R166 000.00 for engaging with suppliers without requesting three quotations and/or motivation for deviation.

Material Losses through Criminal Conduct

12. As disclosed in note 24 of the AFS, the MQA has suffered an unrecovered loss of R83 669 during the year under review. This is due to a fraudulent request for change of banking details which resulted in payment to a fraudulent creditor.

Additional Matters

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

Re-licensing

14. As indicated in the Accounting Authorities report the SETAs were established for a five-year period until 31 March 2010. However, this licence was renewed by the Department of Higher Education and Training until 31 March 2011. A final proclamation with regard to the new SETA landscape is expected in October 2010.

Report on other Legal and Regulatory Requirements

15. In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA, and financial management (internal control).

Predetermined objectives

No matters to report.

Compliance with laws and regulations

No matters to report.

Internal Control

16. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and SDA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Financial and Performance Management

Adequacy of systems preparation of the report on predetermined objectives

- Manual and automated controls are not designed to ensure that the transactions for reporting of predetermined objectives

have occurred and are completely and accurately processed. Material corrections have been affected to the report of predetermined objectives.

- The information systems in use are not appropriate to facilitate the preparation of reports on predetermined objectives.

Other Reports

Investigations

During the year a fraudulent request for a change of banking details was received and was not detected as a fraudulent request. Subsequent to payment of the creditor an enquiry from the creditor revealed that the request had been fraudulent. As disclosed in note 24 the investigation is still ongoing by the SAPS as well as forensic audit.

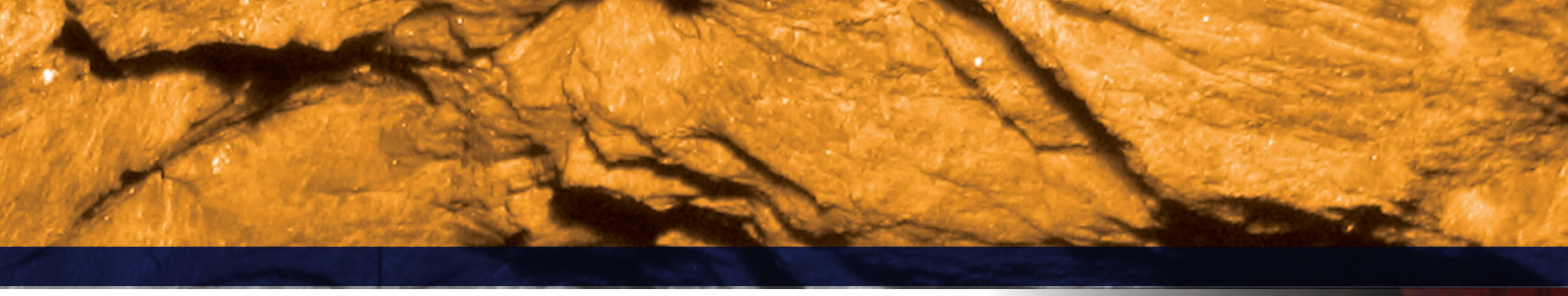
Auditor - General

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Pretoria

15 July 2010



Section 9: Annual Financial Statements for the Year ended 31 March 2010

9.1. Report of the Accounting Authority
9.2. Statement of Financial Performance
9.3. Statement of Financial Position
9.4. Statement on Changes in Nett Assets
9.5. Cash Flow Statement
9.6. Notes to the Annual Financial Statements



9.1. Report of the Accounting Authority

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 2009-10 financial year including NSF income amounted to R576 million (2008-09 R548 million). The effect was an increase of R28 million. The increase was mainly due to payroll increases within the mining industry.

The administration income allocated from levies received was R68 million for the year (2008-09 R63 million). The actual administrative expenditure for the year amounted to R46 million (2008-09 R46 million).

The MQA recorded a deficit of R40 million for the current financial year (2008-09 surplus of R58 million). The reason for the deficit was the huge increase in disbursement of funds for mandatory grants and discretionary projects. The MQA reserves at year end amounts to R225 million (2008-09 R266 million). These reserves are also adequate to meet future commitments of R195 million. The MQA is starting to roll out projects much faster than previously expected and this will definitely lead to a decline in the number of projects in future.

During the year the MQA expensed R566 million towards mandatory and discretionary grants and projects. The total figure for the 2008-09 financial year was R438 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:

	2009-10	2008-9
	R'millions	R'millions
Adult Basic Education and Training (ABET)	16	19
New Enterprise Skills Development	4	7
Bursary Scheme and Work Experience	80	37
Learnerships & Skills Programmes	48	75
Graduate Training Programme	12	3
Learning Material Development Grants	4	3
Unit Standard Generation Grants	2	2
Employment Equity Grant (University)	6	5

	2009-10	2008-9
	R'millions	R'millions
National Skills Fund - Project	3	4
SME Skills Development Support	23	4
Occupational Health & Safety Programme	24	-
Mine Inspector Training	5	-
Jewellery and Diamond Industry Support	6	-
Training Lay-off Scheme	5	-
Skills Development Research Analysis	3	-
Other various projects	17	12

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 MQA currently has a stable workforce.

Utilisation of Donor Funds

The National Skills Fund (NSF) transferred R4 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 except that the MQA now has to report on performance against budgets.

Discontinued Services

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

New/Proposed Activities

The following new projects were introduced during the 2009-10 financial year:

- Occupational Health & Safety Programme
- Mine Inspector training
- Jewellery and Diamond industry support
- Training Lay-off scheme
- Skills Development Research Analysis

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 Chairperson's Report.

Executive Management Remuneration

NAME & TITLE	BASIC SALARIES	PERFORM-ANCE BO-NUSES	SERVICE BONUS	NON-PEN-SIONABLE ALLOW-ANCES	MEDICAL AID ALLOW-ANCES	PENSION CONTRIBU-TION	TOTALS 2009 - 2010	TOTALS 2008 - 2009
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
L Nengovhela (CEO)	605	128*	1	263	20	97	1 114	959
Y Omar (CFO)	537	140*	46	123	20	86	952	834
F Prinsloo (COO)	604	140*	0	148	0	96	988	578
D Barclay (EMCS)	371	132*	32	385	0	59	979	789

***An estimate provided for. Not yet fully paid.**

Events after Reporting Date.

The MQA is not aware of any events that would impact on the entity after the reporting date. However the MQA is planning to acquire office accommodation and is awaiting approval from the Department of Higher Education and Training to proceed.

SETAs Re-establishment

SETAs were established for a five-year period until 31 March 2010. An extension was given to March 2011. The MQA has applied for the renewal of its certificate of establishment as a SETA. A decision on the renewal will be finalised by the Department of Higher Education and Training during the new financial year.

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.

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 2010 set out on pages 85 to 132, have been approved by the Accounting Authority on 27 May 2010 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:



L. Nengovhela
Chief Executive Officer

31 May 2010



T. Gazi
Chairperson

31 May 2010

9.2. Statement of Financial Performance

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009-10 R'000	2008-09 R'000 (Restated)
REVENUE			
Revenue from non exchange transactions		**545 777**	508 427
Skills Development Levy: income	3.1	**539 897**	500 395
Skills Development Levy: penalties and interest	3.2	**1 787**	1 937
Government grants and donor funding income	18	**4 093**	6 095
Revenue from exchange transactions		**30 317**	39 860
Investment income	4.1	**30 047**	39 268
Other income	4.2	**270**	592
Total revenue		**576 094**	548 287
EXPENSES			
Employer grant and project expenses	5	**(566 103)**	(438 274)
Administration expenses	6	**(46 236)**	(45 685)
Finance costs	7	**(1)**	(6)
Government grants and donor funding expenses	18	**(4 093)**	(6 095)
Total expenses		**(616 433)**	(490 060)
(DEFICIT) / SURPLUS FOR THE YEAR	2	**(40 339)**	58 227

9.3. Statement of Financial Position

AS AT 31 MARCH 2010

	Note	2009-10 R'000	2008-09 R'000 (Restated)
ASSETS			
Non-current assets		**1 919**	2 315
Property, plant and equipment	9.1	**1 780**	2 080
Intangible assets	9.2	**139**	20
Non current trade receivables from exchange transactions	10	**-**	215
Current assets		**378 430**	455 995
Inventories	11	**178**	189
Receivables from non-exchange transactions	12	**2 238**	1 970
Trade receivables from exchange transactions	10	**551**	840
Cash and cash equivalents	13	**375 463**	452 996
TOTAL ASSETS		**380 349**	458 310
LIABILITIES			
Current liabilities		**154 992**	192 614
Grants and transfers payable	16	**119 458**	177 789
Trade and other payables from exchange transactions	17	**27 509**	6 825
Government grants received in advance	18	**1 304**	2 478
Current portion of finance lease obligations	14	**-**	17
Provisions	19	**6 721**	5 505
NET ASSETS		**225 357**	265 696
FUNDS AND RESERVES			
Administration reserve		**1 919**	2 100
Employer grant reserve		**1 598**	1 605
Discretionary reserve		**221 840**	261 991
TOTAL NET ASSETS		**225 357**	265 696

9.4. Statement on Changes in Nett Assets

FOR THE YEAR ENDED 31 MARCH 2010

	Note	Administration reserve	Employer grant reserve	Discretionary reserve	Accumulated surplus	Total
		R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2008 as previously stated		2 241	619	208 583	-	211 443
Correction of prior period error	23	-	-	(3 974)	-	(3 974)
Balance at 1 April 2008 as restated		2 241	619	204 609	-	207 469
Surplus for the year as restated		-	-	-	58 227	58 227
As previously stated		-	-	-	63,189	63 189
Correction of prior period error	23	-	-	-	(4,962)	(4 962)
Allocation of unapropriated surplus for the year as restated	2	17 426	45 497	(4 696)	(58 227)	-
As previously stated		17 426	50 519	(4 696)	(63 249)	-
Correction of prior period error	23	-	(5 022)	-	5 022	-
Transfer to discretionary reserves as restated		(17 567)	(44 511)	62 078	-	-
As previously stated		(17 602)	(49 496)	67 098	-	-
Correction of prior period error	23	35	4 985	(5 020)	-	-
Balance at 31 March 2009 as restated		**2 100**	**1 605**	**261 991**	**-**	**265 696**
Deficit for the year		**-**	**-**	**-**	**(40 339)**	**(40 339)**
Allocation of unappropriated surplus for the year	2	**21 513**	**28 622**	**(90 474)**	**40 339**	**-**
Transfer to discretionary reserves		**(21 694)**	**(28 629)**	**50 323**	**-**	**-**
Balance at 31 March 2010	21.22	**1 919**	**1 598**	**221 840**	**-**	**225 357**

9.5. Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009-10 R'000	2008-09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from stakeholders		**541 805**	504 992
Levies, interest and penalties received		**541 504**	504 525
Other cash receipts from stakeholders		**301**	467
Cash paid to stakeholders, suppliers and employees		**(652 062)**	(403 968)
Grants and project payments		**(604 956)**	(352 279)
Special projects		**(4 093)**	(6 195)
Compensation of employees		**(23 693)**	(19 974)
Payments to suppliers and other		**(19 320)**	(25 520)
Cash generated/(utilised) in operations	20	**(110 257)**	101 024
Interest received	4.1	**30 499**	39 043
Interest paid	7	**(1)**	(6)
Net cash inflow from operating activities		**(79 759)**	140 061
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	**(699)**	(738)
Proceeds from disposal of property, plant and equipment		**16**	3
Net cash outflow from investing activities		**(683)**	(735)
CASH FLOW FROM FINANCING ACTIVITIES			
Government grants and donor funding	18 & 10	**2 926**	6 013
Repayment of finance lease obligation and interest	14	**(17)**	(20)
Net cash inflow from financing activities		**2 909**	5 993
Net increase in cash and cash equivalents		**(77 533)**	145 319
Cash and cash equivalents at beginning of year	13	**452 996**	307 677
Cash and cash equivalents at end of year	13	**375 463**	452 996

9.6. Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2010

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 effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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.

GRAP 1 requires the MQA to disclose its actual perfomance against its approved budget. GRAP 24, the accounting standard for presentation of Budget Information in Financial Statement has been issued but is not yet effective. Note 8 discloses a comparison between budget amounts and actual amounts in terms of this standard. This represents a change in accounting policy but paragraph 51 of this standard does not require comparative information to be disclosed in respect of previous periods, hence comparative amounts have not been disclosed.

In the previous year revenue was recognised in terms of Generally Accepted Accounting Practice standard, AC 101: Revenue and from the current year recognised in terms of a Generally Recognised Accounting standard, GRAP 23: Revenue from non-exchange transactions. This represents a change in accounting policy, no material adjustments to the financial statements occurred as a result of the change.

1.2. Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the entity's 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), which collects the levies on behalf of the Department of Higher Education and Training with effect from 01 November 2009 (previously Department of Labour).

9.6. Notes to the Annual Financial Statements *(continued)*

Companies with an annual payroll cost of 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 the skills development levy contribution is transferred to the MQA and 20% to the National Skills Fund (NSF) by the Department of Higher Education and Training with effect from 1 November 2009 (previously 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 :

	2009-10	2008-09
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 Higher Education and Training with effect from 1 November 2009 (previously 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.

1.3.2.1. 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 before the SETAs were moved to the Department of Higher Education and Training on 01 November 2009.

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.

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

1.3.2.1.1. Recognition

Skills Development Levy income is recognised when it is probable that future economic benefits will flow to the MQA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training with effect from 1 November 2009 (previously Department of Labour) 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.

9.6. Notes to the Annual Financial Statements *(continued)*

1.3.2.1.2. Measurement

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

1.3.3. 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 as revenue when the amounts are received or become receivable.

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.

1.3.4. 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 timeously submit the documents prescribed in terms of grants regulation specified in the section dealing with monies received and related matters.

In addition registered employers that participate in training initiatives prescribed in the National Skills Development Strategy (2005-2010), as extended by the Department of Higher Education and Training, can apply for and be granted discretionary grants to supplement their training costs.

1.4.1. Mandatory grants

Mandatory grants 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 (2008-09 : 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.

9.6. Notes to the Annual Financial Statements *(continued)*

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 Higher Education and Training with effect from 01 November 2009 (previously Department of Labour) as obtained from SARS. Where SARS retrospectively amends 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 permitted 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, pay 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 as well as the related expenditure are recognised when the application has been approved based on the conditions for grant payment, as set out in the MQA grants policy being 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 or provided for, it is disclosed as commitments in the notes to the financial statements.

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.

9.6. Notes to the Annual Financial Statements *(continued)*

1.6. Irregular, fruitless and wasteful expenditure

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

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

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

All irregular, fruitless and wasteful expenditure is charged against the respective expenditure class in the reporting period in which it is incurred and disclosed in the notes to the financial statements of the reporting period that it has been identified.

1.7. Property, plant and equipment

Property, plant and equipment (owned and leased in terms of finance leases) 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 over the following periods:

- Computer equipment	2 - 3 years
- Office furniture and fittings	8 - 10 years
- Office equipment	5 - 6 years
- Motor vehicles	4 - 5 years
- Cellphones	1 - 2 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 is 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. 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 estimates and underlying assumptions are reviewed on an ongoing basis. The financial effects of the reviews to accounting estimates are recognised in the period in which the estimates are reviewed if the revision affects only that period, or in the period of the review and future periods if the review affects both current and future periods.

9.6. Notes to the Annual Financial Statements *(continued)*

1.7.2. 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. The MQA is currently established as a SETA until 31 March 2011 (2008-09:31 March 2010), and in terms of the Act, read together with Government notice No. R1 082 of 7 September 1999. The MQA was required to apply to the Minister for the renewal of its establishment by 1 April 2009 and duly complied. Subsequent to the application SETAs were moved from the Department of Labour to the Department of Higher Education and Training. In terms of Gazette no. 32916 of February 2010, the Minister of Higher Education and Training extended the establishment of the MQA to 31 March 2011.

In the light of the extension of MQA's establishment until 31 March 2011, management was required to consider how it impacts the period over which assets are expected to be available for use by the MQA. As a result of the fact that the MQA was originally established in terms of the Mine Health and Safety Act, Act no 29 of 1996 (as amended) and was later incorporated into the SETAs, management determined, consistently with prior years, that the useful lives of assets should not be limited by the MQA's establishment as a SETA. Management's determination of useful lives also impacts the determination of residual values of assets.

The MQA has reviewed the residual values of property, plant and equipment 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.

1.8. Intangible assets

Intangible assets that meet the recognition criteria are stated in the Statement of Financial Position at ammortised cost, being the initial cost price less accumulated depreciation/ammortisation. Amortisation is charged to the Statement of Financial Performance so as to write off the cost of intangible assets over their estimated useful lives as follows:

- Computer software 1 - 3 years

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

1.9. 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.

9.6. Notes to the Annual Financial Statements *(continued)*

1.10. 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 Higher Education and Training with effect from 01 November 2009 (previously Minister of Labour), acting with the concurrence of the Minister of Finance.

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

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

1.11. Leasing

1.11.1. Finance leases

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

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

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

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

1.11.2. Operating leases

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

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

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

1.12. Retirement benefit costs

The MQA 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.

9.6. Notes to the Annual Financial Statements *(continued)*

1.13. 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 and there is uncertainty regarding the amount or timing of the outflow of economic benefits. Long-term provisions are discounted to net present value.

1.13.1. 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.

1.13.2. 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.

1.14. 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 occurrence 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.

1.15. 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.

1.15.1. Financial assets

1.15.1.1. 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
– 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.

9.6. Notes to the Annual Financial Statements *(continued)*

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.

1.15.1.2. 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 recognized by applying the effective interest rate, except for short term receivables where the recognition of interest would be immaterial.

1.15.1.3. 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.

1.15.1.4. 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 uncollectable, 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.

1.15.2. Financial liabilities

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

1.15.2.1. 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.

9.6. Notes to the Annual Financial Statements *(continued)*

1.15.2.2. 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.

1.15.2.3. 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.

1.16. 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 Higher Education and Training with effect from 1 November 2009 (previously 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 is utilised in accordance with the original source in terms of the above classifications, that is where income is associated with administration activities it is utilised for administration purposes, whereas where it is associated with project activities it is utilised for discretionary grants and projects purposes.

The items of revenue and expenditure are recognised on the accrual basis of accounting in the annual financial statements. Consequently, the reserves disclosed in the Statement of Changes in Net Assets and movements disclosed in note 2 do not represent cash reserves or fund monies as implied in Grants Regulations issued by the Department of Higher Education and Training with effect from 1 November 2009 (previously 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 and other commitments of an administrative nature arising from signed contracts.

- Employer grant reserve represents possible mandatory grants claims from newly registered employers that are eligible to submit their mandatory grants claims at year-end in terms of the grants regulations.

- Discretionary reserve represents the excess of discretionary grants revenue over discretionary and projects expenditure and includes transfers from administration and mandatory grant reserve where appropriate.

9.6. Notes to the Annual Financial Statements *(continued)*

1.17. 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 Higher Education and Training with effect from 1 November 2009 (previously 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.

1.18. Comparatives

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

2. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES

	2009-10				
	Total per Statement of financial performance R'000	Administration R'000	Mandatory grant R'000	Discretionary grants R'000	Special projects R'000
Total revenue	576 094	67 750	337 015	167 236	4 093
Skills development levy: income	541 684	67 480	337 015	137 189	-
Admin levy income (10%)	67 480	67 480	-	-	-
Grant levy income 70%	472 417	-	337 015	135 402	-
Skills development levy: penalties and interest	1 787	-	-	1 787	-
Donations for special projects	4 093	-	-	-	4 093
Investment income	30 047	-	-	30 047	-
Other income	270	270	-	-	-
Total expenses	(616 433)	(46 237)	(308 393)	(257 710)	(4 093)
Administration expenses	(46 236)	(46 236)	-	-	-
Finance costs	(1)	(1)	-	-	-
Employer grants and project expenses	(570 196)	-	(308 393)	(257 710)	(4 093)
(Deficit) / surplus per Statement of financial perfomance allocated	(40 339)	21 513	28 622	(90 474)	-

2. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES *(Continued)*

	2008-09 Restated				
	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	548 287	63 117	312 730	166 345	6 095
Skills development levy: income	502 332	62 525	312 730	127 077	-
Admin levy income (10%)	62 525	62 525	-	-	-
Grant levy income (70%)	437 870	-	312 730	125 140	-
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	(490 060)	(45 691)	(267 233)	(171 041)	(6 095)
Administration expenses	(45 685)	(45 685)	-	-	-
Finance costs	(6)	(6)	-	-	-
Employer grants and project expenses	(444 369)	-	(267 233)	(171 041)	(6 095)
Net surplus per Statement of financial perfomance allocated	58 227	17 426	45 497	(4 696)	-

	Note	2009-10 R'000	2008-09 R'000 (Restated)
3. REVENUE FROM NON EXCHANGE TRANSACTIONS			
3.1. Skills development levy income			
Levy income: Administration		**67 480**	62 525
Levies received		**67 457**	62 800
Levies received from SARS		**67 376**	62 497
InterSETA transfers in		**81**	469
InterSETA transfers out		**-**	(166)
Movement in levies accrued		**23**	(275)
Levy income: Employer Grants		**337 015**	312 730
Levies received		**336 901**	314 106
Levies received from SARS		**336 494**	312 592
InterSETA transfers in		**407**	2 348
InterSETA transfers out		**-**	(834)
Movement in levies accrued		**114**	(1 376)
Levy income: Discretionary Grants		**135 402**	125 140
Levies received		**135 359**	125 682
Levies received from SARS		**135 197**	125 082
InterSETA transfers in		**162**	939
InterSETA transfers out		**-**	(339)
Movement in levies accrued		**43**	(542)
		539 897	500 395
3.2. Interest and penalties : skills development levy income			
Levy interest		**709**	545
Levy penalties		**1 078**	1 392
		1 787	1 937

		Note	2009-10 R'000	2008-09 R'000 (Restated)
4.	**REVENUE FROM EXCHANGE TRANSACTIONS**			
4.1.	**Investment income**		**30 047**	39 268
	Interest received		**30 499**	39 043
	Movement in interest accrued		**(452)**	225
4.2.	**Other income**		**270**	592
	Reprinting of training certificates		**87**	4
	Insurance recoveries		**6**	5
	SDL recoveries		**18**	82
	Other recoveries		**159**	501
5.	**EMPLOYER GRANT AND PROJECT EXPENSES**			
	Mandatory grants		**308 393**	267 233
	Disbursed		**366 925**	238 367
	Movement in liabilities and accruals		**(58 532)**	28 866
	Discretionary grants	20.3	**129 155**	125 939
	Disbursed		**129 041**	69 486
	Movement in liabilities and accruals		**114**	56 453
	Project expenditure	20.3	**128 555**	45 102
	Disbursed		**107 437**	44 402
	Movement in provisions and accruals		**21 118**	700
			566 103	438 274
5.1.	**Project expenditure consist of:**			
	Direct project costs		**124 760**	43 308
	Service provider costs		**3 777**	1 792
	Administration costs		**18**	2
			128 555	45 102

	Note	2009-10 R'000	2008-09 R'000 (Restated)
6. ADMINISTRATION EXPENSES			
Depreciation		**862**	863
Gain/ (loss) on disposal of property, plant and equipment		**2**	13
Operating lease rentals		**1 901**	1 864
Buildings-Operating leases		**1 709**	1 697
Plant, machinery and equipment-operating leases		**192**	167
Maintenance, repairs and running costs		**611**	689
Property and buildings		**377**	476
Machinery and equipment		**234**	213
Research and development costs		**1 565**	2 063
Advertising, marketing and promotions, communication		**1 414**	3 061
Entertainment expenses		**56**	68
Consultancy and service provider fees		**994**	2 135
Legal fees		**95**	365
Cost of employment	6.1	**25 212**	20 324
Travel and subsistence		**1 781**	2 330
Staff training and development		**1 825**	1 232
Provincial linkages expenditure		**254**	70
Remuneration to members of the audit committee		**105**	44
Internal auditors' remuneration		**683**	542
External auditors' remuneration		**1 319**	780
Other		**7 557**	9 242
Printing and Stationery-other		**1 177**	2 103
Conference costs-other		**5 407**	6 450
Insurance-other		**191**	141
Rates & taxes, water & lights & security-other		**530**	412
Donations & sponsorships-other		**110**	85
Sundry items-other		**142**	51
		46 236	45 685

As at 31 March 2010 no expenditure was incurred in respect of the 2010 Soccer World Cup tickets and clothing.

		Note	2009-10 R'000	2008-09 R'000 (Restated)
6.1.	**Cost of employment**			
	Salaries and wages		**22 222**	17 856
	Basic salaries		**14 074**	11 200
	Performance awards		**3 105**	1 749
	Other non-pensionable allowance		**3 551**	2 768
	Temporary staff		**796**	1 382
	Leave payments		**696**	757
	Social contributions		**2 990**	2 468
	Medical aid contributions		**575**	426
	Pension contributions: defined contribution plans		**1 992**	1 574
	UIF		**104**	93
	Other salary related costs		**319**	375
		6	**25 212**	20 324
	Average number of employees		**76**	70

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

	2009-10 R'000	2008-09 R'000
Interest expense:		
Obligations under finance leases	**1**	6
Total interest expense	**1**	6

8. COMPARISON OF BUDGET AND ACTUAL AMOUNTS

		2009-10			
		Approved Budget R'000	Final Budget R'000	Actual R'000	Difference R'000
Income					
Administration funds	8.2.1	**56 249**	**63 815**	**67 750**	**3 935**
Mandatory funds	8.2.1	**281 246**	**319 077**	**337 015**	**17 938**
Discretionary funds	8.2.1	**112 498**	**127 631**	**137 189**	**9 558**
Investment income	8..2.2	**28 430**	**28 722**	**30 047**	**1 325**
Total income		**478 423**	**539 245**	**572 001**	**32 756**
Expenditure					
Administration funds	8.2.3	**(49 643)**	**(48 338)**	**(46 237)**	**2 101**
Mandatory funds	8.2.4	**(267 184)**	**(303 124)**	**(308 393)**	**(5 269)**
Discretionary funds	8.2.5	**(275 562)**	**(283 098)**	**(257 710)**	**25 388**
Total expenditure		**(592 389)**	**(634 560)**	**(612 340)**	**22 220**
(Deficit)/Surplus		**(113 966)**	**(95 315)**	**(40 339)**	**54 976**
Capex		**827**	**656**	**699**	**43**

8.1. Basis of budget preparation and revision of approved budget

The MQA prepares its budget for items of income and expenditure on the accrual basis of accounting as well as the acquisition of Property, Plant and Equipment and intangible assets (Capex). The budget includes only the activities of the MQA.

The approved budget was revised in October 2009 to adjust for revenue trends observed during the first six months of the financial year, that resulted in additional funds being available for mandatory grants and discretionary grants as well as concerted efforts to reduce administration expenditure.

8.2. Material differences between the final budget and actual amounts

8.2.1. Skills Development levy income

Revenue was conservatively estimated due to the perceived effects of the job losses would have on levy contributions, the job losses did not occur and affect levy contributions on the scale that was estimated during the preparation of the budget

8.2.2. Investment income

The actual skills development levy income received that exceeded the budget resulted in actual interest received being higher than the budget.

8.2.3. Administration expenditure

The variance mainly relates to savings in consultancy fees, workshops and seminars, travel and accommodation as well as the effects of straightlining operating leases. These savings were as a result of managements' conscious efforts' to manage the items of expenditure.

8.2.4. Mandatory grants expenditure

Mandatory grants expenditure is a percentage of the income, it follows that any variances in budgetted and actual income will result in variances in mandatory grants expenditure. The variance is mainly as a result of the actual revenue exceeding the budget as explained in 8.1 above.

8.2.5. Discretionary grants expenditure

The variance mainly relates to the recovery of the economy that affected the intake of retrenched workers into the training layoff scheme. Whereas we anticipated thousands of employees facing retrenchment to take advantage of the training layoff scheme and put aside funds for this programme, only 13 employees were on the scheme at 31 March 2010. Furthermore, a drop in the take-up of ABET learners and the low completion rate reduces the completion grants payable.

GRAP 1 requires the disclosure of the budget information in financial statements. GRAP 24, the accounting standard for presentation of budget information in financial statements was issued in November 2007 but is not yet effective.

9. NON CURRENT ASSETS

9.1. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2010	**Cost (fully depreciated items) R'000**	**Cost (all items) R'000**	**Accumulated depreciation/ impairment R'000**	**Closing carrying amount 2009-10 R'000**
Computer equipment	**1 218**	**1 928**	**(1 558)**	**370**
Office furniture and fittings	**357**	**2 386**	**(1 428)**	**958**
Office equipment	**728**	**1 532**	**(1 115)**	**417**
Motor vehicles	**384**	**384**	**(384)**	**-**
Cellphones	**5**	**94**	**(59)**	**35**
Balance at end of the year	**2 692**	**6 324**	**(4 544)**	**1 780**
Made up as follows:				
- Owned assets	**2 692**	**6 238**	**(4 471)**	**1 767**
- NSF assets	**-**	**12**	**(6)**	**6**
- Lease assets - office equipment	**-**	**74**	**(67)**	**7**

Year ended 31 March 2009	Cost (fully depreciated items) R'000	Cost (all items) R'000	Accumulated depreciation/ impairment R'000	Closing carrying amount 2008-09 R'000
Computer equipment	846	1 965	(1 457)	508
Office furniture and fittings	-	2 279	(1 241)	1 038
Office equipment	339	1 356	(927)	429
Motor vehicles	103	384	(321)	63
Cellphones	-	59	(17)	42
Balance at end of the year	1 288	6 043	(3 963)	2 080
Made up as follows:				
- Owned assets	1 288	5 951	(3 900)	2 051
- NSF assets	-	18	(10)	8
- Lease assets - office equipment	-	74	(53)	21

9.1. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Movement summary 2010

	Carrying amount 2008-09 R'000	Additions R'000	Disposals R'000	Depreciation charge R'000	Accumulated Depreciation on disposals R'000	Carrying amount 2009-10 R'000
Computer equipment	**508**	**187**	**(225)**	**(315)**	**215**	**370**
Office furniture and fittings	**1 038**	**149**	**(42)**	**(223)**	**36**	**958**
Office equipment	**429**	**183**	**(6)**	**(194)**	**5**	**417**
Motor vehicles	**63**	**-**	**-**	**(63)**	**-**	**-**
Cellphones	**42**	**35**	**-**	**(42)**	**-**	**35**
Balance at end of the year	**2 080**	**554**	**(273)**	**(837)**	**256**	**1 780**

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 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
Cellphones	-	59	-	(17)	-	42
Balance at end of the year	2 202	738	(56)	(844)	40	2 080

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 the 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 and 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.

9.2. INTANGIBLE ASSETS

	Cost (fully depreciated items)	**Cost (all items)**	**Accumulated depreciation/ impairment**	**Closing carrying amount 2009-10**
Year ended 31 March 2010	**R'000**	**R'000**	**R'000**	**R'000**
Computer software	**59**	**204**	**(65)**	**139**
Balance at end of the year	**59**	**204**	**(65)**	**139**

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

9.2. INTANGIBLE ASSETS *(Continued)*

Movement summary 2010

	Carrying amount 2008-09	**Additions**	**Depreciation charge**	**Carrying amount 2009-10**
	R'000	**R'000**	**R'000**	**R'000**
Computer software	**20**	**145**	**(26)**	**139**
Balance at end of the year	**20**	**145**	**(26)**	**139**

Movement summary 2009

	Carrying amount 2007-08	Additions	Depreciation charge	Carrying amount 2008-09
	R'000	R'000	R'000	R'000
Computer software	39	-	(19)	20
Balance at end of the year	39	-	(19)	20

10. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Note	2009-10 R'000	2008-09 R'000 (Restated)
Prepayments and Advances			
Non Current			
Deposits in respect of building		-	215
Current			
Prepayments		**94**	85
Free Minutes Receivable		**125**	163
Deposits		**227**	13
Staff Advances		**8**	22
Interest receivable - MQA		**92**	545
Interest receivable - NSF		**5**	12
Closing balance		**551**	840

11. INVENTORY

Printing consumable stores		**178**	189

12. TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

InterSETA receivables	27	**827**	613
Administration		**103**	76
Employer grants		**514**	379
Discretionary grants		**210**	158
Mandatory grants receivables	12.1	**1 411**	1 169
Discretionary receivables		-	188
		2 238	1 970

12.1. Mandatory grants receivables

	Note	2009-10 R'000	2008-09 R'000 (Restated)
Overpayment of mandatory grants to registered employers			
Overpayments to employers		**2 691**	1 087
Provision for doubtful debts		**(1 302)**	-
Net effect of SARS retrospective adjustments		**1 389**	1 087
Mandatory grants receivable from other SETAs		**22**	82
		1 411	1 169

R2,691 million (2008-09: R1,087 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 of R1,302 million (2008-09: Nil) has been raised.
R249,807 (2008-09: R23 000) was written off as bad debts.

13. CASH AND CASH EQUIVALENTS

	2009-10 R'000	2008-09 R'000
Cash at bank and in hand	**373 637**	447 590
Cash at bank	**373 630**	447 586
Cash on hand	**7**	4
Short term investments/instruments	**1 826**	5 406
Cash and cash equivalents at end of year	**375 463**	452 996

Included in cash at bank is a current account with a balance of R1,386 million, (2008-09: R228,238.38) in respect of NSF funds received in advance. The funds were received from the National Skills Fund for the purposes of the learnerships, workplace experience and internship grants. The funds may not be used for any purposes except for purposes specified in a service level agreement.

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

13. CASH AND CASH EQUIVALENTS (continued)

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 institutions with investment grade rating and in line with the investment policy as required by Treasury Regulation 31.3.5.

13.1 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 Higher Education and Training (previously Minister of Labour) with effect from 01 November 2009 acting with the concurrence of the Minister of Finance.

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

No such borrowings were entered into during the year.

14. FINANCE LEASE OBLIGATIONS

	Notes	**2009-10**	2008-09
		R'000	R'000
			(Restated)
Current finance lease obligation (recoverable within 12 months)		**-**	17
Finance lease obligation		**-**	17
Reconciliation between the total of the minimum lease payments and the present value:			
Up to 1 Year			
Future minimum lease payments		**-**	17
Finance cost		**-**	1
Present value		**-**	19
Finance lease repayments for the year		**17**	20

Assets held under finance leases comprise a photocopier which 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 in the agreement is linked to the prime lending rate.

The interest rate implicit in the agreement, 19.51% (2008-09: 19.51%) was used as a basis for estimating the finance costs.

15. 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% (2008-09:27%).

16. GRANTS AND TRANSFERS PAYABLE

	Notes	2009-10 R'000	2008-09 R'000 (Restated)
Grants payable			
Skills development grants payable		**35 558**	93 848
Skills development grants payable - discretionary		**83 866**	83 941
InterSETA payables	27	**34**	-
Administration		**4**	-
Mandatory		**21**	-
Discretionary		**9**	-
		119 458	177 789

17. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade creditors	**1 126**	1 832
Project creditors	**23 930**	2 812
Trade creditors accruals	**650**	386
Cellphone contracts obligation	**160**	205
Operating lease payments due	**74**	310
Payroll creditors and accruals	**1 569**	1 280
	27 509	6 825

18. GOVERNMENT GRANTS AND DONOR FUNDING NATIONAL SKILLS FUND

Opening balance	**2 478**	2 580
Draw downs and interest received	**2 919**	6 101
NSF funding received	**2 847**	5 971
Interest received	**72**	130
		-
Utilised and recognised as revenue-conditions met	**(4 093)**	(6 095)
Learnerships and Internships	**(4 093)**	(6 095)
Unused funds paid back	**-**	(108)
Closing balance-Including received in advance	**1 304**	2 478

During the current year R2,847 million (2008-09: R5.971 million) was received from the National Skills Fund in respect of learnerships and internships. At year end, R1,305 million (2008-09: R2,478 million) continues to be accounted for as a liability until conditions for recognition as revenue have been met.

19. PROVISIONS

	Note	2009-10 R'000	2008-09 R'000
Employee entitlements	19.1	**1 642**	847
SARS creditors	19.2	**5 079**	4 658
		6 721	5 505

19.1 Employee benefits

	2009-10 R'000	2008-09 R'000
Opening balance	**847**	839
Amount utilised	**(847)**	(965)
Change in estimate	**1 642**	973
Closing balance	**1 642**	847

19.2 Provision for SARS creditors

	Administration provision	Mandatory grants provision	Discretionary grants provision	Total 2009-10 R'000	Total 2008-09 R'000 Restated
Open carrying amount	**582**	**2 911**	**1 165**	**4 658**	4 496
Change in estimate	**53**	**263**	**105**	**421**	162
Closing carrying amount	**635**	**3 174**	**1 270**	**5 079**	4 658

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.

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

	Note	**2009-10 R'000**	2008-09 R'000
(Deficit) / surplus as per statement of financial performance		**(40 339)**	58 227
Adjusted for non-cash items:			
Depreciation		**862**	863
(Gain)/loss on disposal of property, plant and equipment		**2**	13
Bad debts written off		**249**	23
Allowance for doubtful debts		**1 302**	-
Increase in provisions		**1 216**	170
Adjusted for items separately disclosed			
Investment income	4.1	**(30 047)**	(39 268)
Finance costs	7	**1**	6
Movement in special project funding		**(4 093)**	(6 195)
Adjusted for working capital changes:			
(Increase)/decrease in inventory	11	**12**	(146)
Decrease/(increase) in receivables	10 & 12	**(1 774)**	1 859
Increase/(decrease) in payables	16 & 17	**(37 648)**	85 472
Cash generated (utilised) in operations		**(110 257)**	101 024

21. CONTINGENCIES

Mandatory grant reserve

A balance of R1,598 million (2008-09: R1,605 million, as restated) has been set aside in terms of the accounting policy.

22. COMMITMENTS

22.1. Administration reserve

A balance of R1,919 million (2008-09: R2,100 as restated) has been set aside in terms of the accounting policy as follows.

Net assets	9	**1,919**	2,100
Total Administrtion Reserve		**1,919**	2,100

22.2. Discretionary reserve

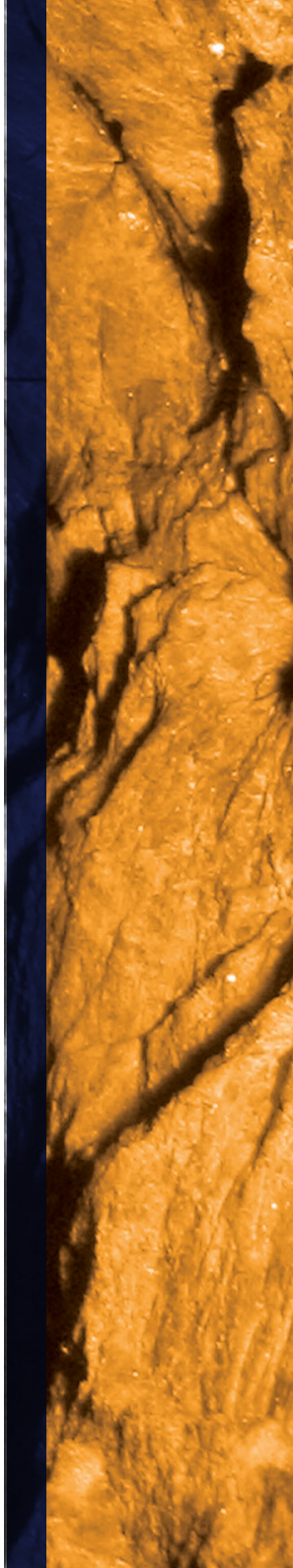
Of the balance of R221,840 million (2008-09 : R261,991 million, as restated) available in the discretionary reserve at the end of March 2010, R195,190 million (2008-09 R200,236 million) has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the Statement of Financial Performance, are indicated as utilised.

COMMITMENTS

	NSDS Indicator	Opening balance 2008-09	Reallocations approved by the Accounting Authority	Utilised	**Opening balance 2009-10**	**Reallocations approved by Accounting Authority**	**Utilised**	**TOTAL**
		R'000	R'000	R'000	**R'000**	**R'000**	**R'000**	**R'000**
OBJECTIVE 1:		-	1,038	(1,038)	**-**	**9,936**	**(9,936)**	**-**
MQA-020-Skills Development Research & Impact Analysis	1.1	-	91	(91)	**-**	**3,315**	**(3 315)**	**-**
Skills Audit Project	1.1	-	139	(139)	**-**	**-**	**-**	**-**
Career Information Booklets	1.2	-	771	(771)	**-**	**-**	**-**	**-**
MQA-027-Constituency Representative Capacity Building	1.2	-	-	-	**-**	**38**	**(38)**	**-**
MQA-018-Skills Development Facilitator Support	1.2	-	-	-	**-**	**2,625**	**(2 625)**	**-**
MQA-021-Company Skills Development Committee Support	1.2	-	37	(37)	**-**	**37**	**(37)**	**-**
MQA-028-Promotion of Skills Development	1.2	-	-	-	**-**	**3,921**	**(3 921)**	**-**

22.2. Discretionary reserve *(continued)*

	NSDS Indicator	Opening balance 2008-09	Reallocations approved by Accounting Authority	Utilised	**Opening balance 2009-10**	**Reallocations approved by the Accounting Authority**	**Utilised**	**TOTAL**
		R'000	R'000	R'000	**R'000**	**R'000**	**R'000**	**R'000**
OBJECTIVE 2:		83,874	89,679	(102,410)	**71,143**	**160,625**	**(130,687)**	**101,081**
MQA-022-MQA I-Share Development	2.1	-	1,095	(414)	**681**	**747**	**(1 019)**	**409**
MQA-034-National Good Practice in Skills Development Awards	2.4	-	336	(336)	**-**	**588**	**(588)**	**-**
Ex- miners skills development	2.5	100	978	(1,078)	**-**	**-**	**-**	**-**
BEE Firms & BEE Co-ops support	2.5	-	993	(524)	**469**	**(469)**	**-**	**-**
Small scale miners technical support	2.5	-	3,523	(3,104)	**419**	**(419)**	**-**	**-**
MQA-012-SME Skills Development Support	2.5	-	1,007	(1,007)	**-**	**32,558**	**(23 080)**	**9,478**
MQA-033-Training Lay-Off Scheme	2.5	-	-	-	**-**	**5,663**	**(4 832)**	**831**
MQA-019-ABET	2.7	13,485	23,324	(18,847)	**17,962**	**15,947**	**(13 914)**	**19,995**
MQA-023-Literacy Promotion	2.7	-	440	(440)	**-**	**363**	**(363)**	**-**
MQA-030-Maths & Science	2.7	-	-	-	**-**	**2,500**	**(2 500)**	**-**
MQA-011-Learnerships	2.8	70,289	43,584	(74,871)	**39,002**	**77,053**	**(48 283)**	**67,772**
MQA-016-Recognition of Prior Learning	2.8	-	445	-	**445**	**(20)**	**(425)**	**-**
406-Upskilling of ETDPs to deliver Fundamentals	2.8	-	854	(854)	**-**	**37**	**(37)**	**-**
MQA-005-Jewellery Industry Support	2.8	-	2,000	(766)	**1,234**	**1,327**	**(2 561)**	**-**
MQA-024-OHS Representations Development	2.8	-	9,100	(169)	**8,931**	**15,066**	**(23 997)**	**-**
MQA-031-Mine Inspector Training	2.8	-	-	-	**-**	**7,949**	**(5 353)**	**2,596**
MQA-006-Diamond Industry Support	2.8	-	2,000	-	**2,000**	**1,734**	**(3 734)**	**-**
OBJECTIVE 3:		2,066	3,511	(5,017)	**560**	**(560)**	**-**	**-**
Beneficiation Support	3.2	2,000	1,000	(2,440)	**560**	**(560)**	**-**	**-**
Non Levy Paying Enterprise, NGO, CBO Support	3.2	-	500	(500)	**-**	**-**	**-**	**-**
Women in Mining Support	3.2	66	2,011	(2,077)	**-**	**-**	**-**	**-**



22.2. Discretionary reserve *(continued)*

	NSDS Indicator	Opening balance 2008-09	Reallocations approved by Accounting Authority	Utilised	**Opening balance 2009-10**	**Reallocations approved by Accounting Authority**	**Utilised**	**TOTAL**
		R'000	R'000	R'000	**R'000**	**R'000**	**R'000**	**R'000**
OBJECTIVE 4:		67,331	116,432	(56,167)	**127,596**	**65,191**	**(105,232)**	**87,555**
MQA-001-Lecturer / Trainer Support	4.1	7,560	23,188	(4,466)	**26,282**	**(3,710)**	**(5 581)**	**16,992**
MQA-010-Internships (GDP)	4.1	1,057	18,891	(2,963)	**16,985**	**10,981**	**(11 613)**	**16,353**
MQA-025-NSF 1-Learnerships & GDP	4.1	9,440	25	(4,480)	**4,985**	**(888)**	**(2 912)**	**1,185**
MQA-026-NSF 2-Artisan Development	4.1	-	-	-	**-**	**1,262**	**(342)**	**920**
MQA-002-Bursaries	4.1	19,446	66,524	(15,357)	**70,613**	**(1,030)**	**(34 251)**	**35,331**
MQA-003-Work Experience	4.2	29,169	1,671	(22,109)	**8,731**	**53,996**	**(46 133)**	**16,594**
MQA-004-New Venture Creation	4.3	659	6,133	(6,792)	**-**	**4,579**	**(4 399)**	**180**
OBJECTIVE 5:		57	7,289	(6,409)	**937**	**17,471**	**(11,854)**	**6,554**
FET Support (2)	5.1	-	91	(91)	**-**	**-**	**-**	**-**
MQA-014-ISO 9001-2000	5.1	-	720	(720)	**-**	**1,680**	**(1 680)**	**-**
MQA-017-Institute of Sectoral / Occupational Excellence	5.1	-	150	(150)	**-**	**1,004**	**(1 004)**	**-**
MQA-013-Assessor & Moderator Registration	5.3	-	602	(78)	**524**	**1,253**	**(1 777)**	**-**
MQA-015-PDA Standardised Assessment	5.3	57	179	(236)	**-**	**513**	**(513)**	**-**
MQA-032-Certification Verification	5.3	-	486	(73)	**413**	**627**	**(810)**	**230**
MQA-007-Standard Setting Grant (TRGs)	5.3	-	1,712	(1,712)	**-**	**1,426**	**(1 426)**	**-**
MQA-008-Unit Standards & Qualifications Registration	5.3	-	427	(427)	**-**	**980**	**(980)**	**-**
MQA-009-Learning Materials Development	5.3	-	2,922	(2,922)	**-**	**9,989**	**(3 665)**	**6,323**
TOTAL COMMITMENTS NSDS 2		153,328	217,949	(171,041)	**200,236**	**252,663**	**(257,710)**	**195,190**

22.3. Operating Leases

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

	2009-10	2008-09
	R'000	R'000
Not later than one year	**497**	1,845
Later than one year and not later than five years	**-**	455
	497	2,300

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 July 2010. No provision was made for an option to renew the lease on expiry. The rental payments escalate annually on 1 July by 9%.

23. PRIOR PERIOD ERRORS

23.1. Capitalisation of Cellphones

Whereas in the previous financial years we did not capitalise cellphones, during the current financial year we decided to capitalise the cellphones in order to fairly present all the effects of entering into cellphone contracts. In capitalising the cellphones, we recognised the total obligation under the cellphone contracts, recognised an asset in respect of the free minutes receivable under the contracts, recognised the cellphones as property, plant and equipment and recognised the resulting depreciation expense. We restated the comparative figures accordingly and the impact was as follows.

	2008-2009	Prior years
	R'000	Cummulative
Increase in trade and other payables from exchange transactions	(206)	-
Increase in trade and other receivables from exchange transactions	163	-
Incerease in property plant and equipment	59	-
Decrease in telephone expenditure	(16)	-
Increase in depreciation	16	-
Increase in accumulated depreciation	(16)	-
Impact on reserves	-	-

23.2. Revenue adjustments for employers below threshold

During the current financial year we discovered that the provisions raised in previous financial year in respect of skills development levy contributions from employers below the legislated threshold were understated. The error was corrected in the current financial year and comparatives appropriately restated. The impact of the correction of the error is as follows:

	2008-2009	Prior years
	R'000	Cummulative
(Increase) / decrease in provisions	60	(3,974)
(Increase) / decrease in skills development levy income	(60)	-
Decrease in reserves - refer to Note 23.3 overleaf	-	3,974

23.3. Mandatory grants payable arising from SARS reversals

In the previous financial year mandatory grants arising from SARS reversals were calculated manually as the MIS functionality for this purpose was not operational. During the current financial year we discovered that the manual calculations were not adequate and resulted in understatement of SARS reversals for the previous year. The impact of the correction is as follows:

	2008-2009
	R'000
Increase in mandatory grants expenditure	5,022
Increase in mandatory grants payable	(5,022)
Decrease in reserves as above (23.2.)	60
Decrease in reserves	4,962

24. 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 2010 except as indicated under the relevant heading below.

Material losses through criminal conduct:

None

Material losses through fraud

In September 2009, a fraudulent request for a change of banking details was received and was not detected as a fraudulent request. Subsequent to payment of the amount oustanding for the creditor an enquiry from the creditor revealed that the request had been fraudulent. An amount of R83,668.99 remains unrecovered and is included in sundry expenses under administration expenses..

The matter was reported to the police and the police investigation as well as a forensic audit relating to the matter was in progress at 31 March 2010.

Irregular expenditure for current year

Irregular expenditure was incurred during the current financial year when services were sourced from 2 different suppliers without requesting 3 quotations and no written motivation was prepared prior to engaging the suppliers. No money was lost as the services were duly rendered for the benefit of the MQA. To the best of our knowledge, had we sourced quotes, we would have come to the same decision to engage these particular suppliers as authorisations were appropriately obtained but were not reduced to writing.

	2009-10	2008-09
	R'000	R'000
Opening balance	**-**	-
Add: Irregular Expenditure – current year	**166**	-
Less: Amounts condoned	**-**	-
Less: Amounts recoverable (not condoned)	**-**	-
Less: Amounts not recoverable (not condoned)	**-**	-
Irregular Expenditure awaiting condonation	**166**	-

Fruitless and wasteful expenditure

None

25. EVENTS AFTER REPORTING DATE

25.1. Condonation of irregular expenditure

Note 23 refers to irregular expenditure, the irregular expenditure was condoned by the accounting authority in May 2010.

25.2. Acquisition of office building

In November 2009, the MQA requested permission to acquire an office building from the Minister and to utilise savings from administration funds and interest from investments. As at 31 March 2010, the Minister had not made a decision in this regard.

26. 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;

	Floating rate		Non-interest bearing		
	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in years	TOTAL R'000
Year ended 31 March 2010					
Assets					
Cash	375 456	9.5.%	7	-	375 463
Accounts receivable	-	-	551	1 year	551
Total financial assets	375 456	-	558	-	376 014
Liabilities					
Accounts payable	-	-	(27 510)	0,5 years	(27 510)
Total financial liabilities	-	-	(27 510)	-	(27 510)
	375 456		(26 952)		348 504

26. FINANCIAL INSTRUMENTS *(Continued)*

	Floating rate		Non-interest bearing		
	Amount R'000	Effective interest rate	Amount R'000	Weighted average period until maturity in years	TOTAL R'000
Year ended 31 March 2009					
Assets					
Cash	452 992	11%	4	-	452 996
Accounts receivable	-	-	1 055	-	1 055
Total financial assets	452 992	0	1 059	-	454 051
Liabilities					
Accounts payable	-	-	(6 826)	0,8 years	(6 826)
Total financial liabilities	-	-	(6 826)	-	(6 826)
	452 992		(5 767)		447 225

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 institutions approved by the National Treasury. The MQA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The MQA's concentration of credit risk is limited to the industry (mining industry) in which it operates. No events occurred in the mining industry that may have an impact on the accounts receivable that has not been adequately provided for.

Ageing of trade and other receivables from non exchange transactions

	2009-10		2008-09	
	Gross	Impairment	Gross	Impairment
Not past due	-	-	-	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	2 238	-	1 970	-
Past due 1 year	-	-	-	-

Cash & cash equivalents

	2009-10		2008-09	
	Gross	Impairment	Gross	Impairment
Not past due	375 463	-	452 996	-
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 verses forecasted cashflows and its cash management policy. Adequate reserves and liquid resources are also maintained.

	2009-10			
	Carrying amount	**Contractual cash flows**	**6 months or less**	**6 or more**
Trade and other payables from exchange transactions	**27 510**	**27 510**	**27 510**	**-**

	2008-09			
	Carrying amount	Contractual cash flows	6 months or less	6 or more
Trade and other payables from exchange transactions	6 826	6 826	6 826	-

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 is aware of except for the impact of the country's electricity crisis that may result in the shrinking of employment and a reduction in 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.

Accounts payable

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

27. 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.

Title	Reference Number	Effective date, commencing on or after
Segment Reporting	GRAP 18	1 April 2009
Revenue from Non-exchange Transactions (Taxes and Transfers)	GRAP 23	1 April 2009
Non current assets held for sale and discontinued operaions	GRAP 100	1 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.

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 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.

28. RELATED PARTY TRANSACTIONS

28.1 Transactions with other national public entities

28.1.1 Sector Education and Training Autorities

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 and 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) 2009-10 R'000	Transfers in/ (out) during the year 2009-10 R'000	Amount receivable/ (payable) 2008-09 R'000	Transfers in/ (out) during the year 2008-09 R'000
Receivables	12	**826**	**1 479**	613	1 710
CETA		**-**	**291**	-	-
CHIETA		**46**	**46**	-	-
CTFL SETA		**-**	**10**	-	-
ETDP SETA		**-**	**-**	-	-
FASSET		**-**	**104**	-	49
SERVICES SETA		**721**	**968**	613	1 661
W&R SETA		**59**	**59**	-	-
Payables	16	**(34)**	**(34)**	-	(1 270)
ISETT		**-**	**-**	-	(90)
SERVICES SETA		**(34)**	**(34)**	-	-
W&R SETA		**-**	**-**	-	(1 181)
Total		**793**	**1 445**	613	440

28.1.2 Other public entities

National Skills Fund

	2009-10 R'000	2008-09 R'000
Amount received	**2,847**	5,971
Amount paid	**-**	108
Amount receivable	**-**	-
Amount payable	**1,304**	2,478

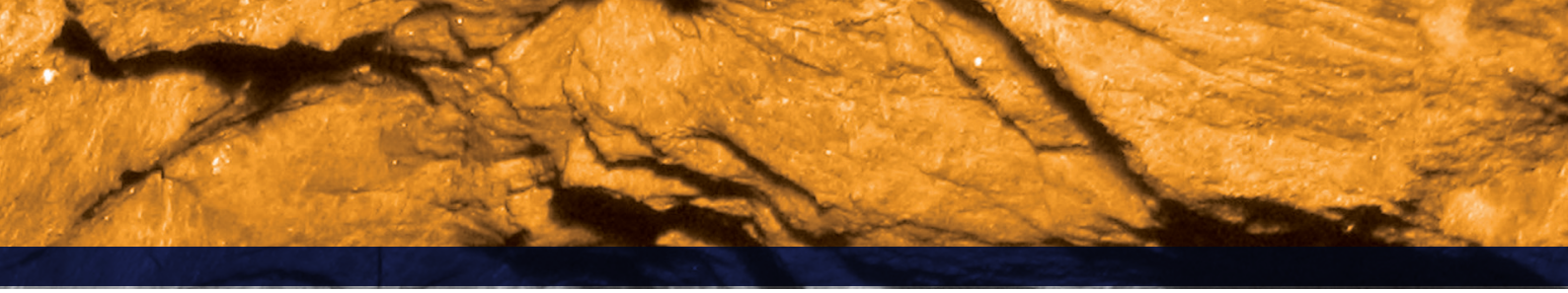
28. RELATED PARTY TRANSACTIONS

28.2 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.

Company represented	Board member	Levies Received 2009-10 R'000	Payments 2009-10 R'000	Payable 2009-10 R'000	Overpayments 2009-10 R'000
Anglo Gold Ashanti	**G J Brokenshire**	**35,358**	**42,989**	**5,468**	**-**
Harmony Gold Mine	**J Mathebula**	**33,763**	**28,516**	**3,246**	**6**
Teba Development	**J Mathebula**	**-**	**377**	**41**	**-**
Chamber of Mines	**J Mabena**	**249**	**4,211**	**79**	**-**
Isithebe Mining	**M Madolo**	**-**	**-**	**-**	**-**
UASA	**R Samuel**	**-**	**-**	**-**	**-**
National Union of Mineworkers	**E Majadibodu**	**-**	**-**	**-**	**-**
National Union of Mineworkers	**M Letlala**	**-**	**-**	**-**	**-**
Elijah Barayi Training Centre	**Z Tantsi**	**-**	**54**	**-**	**-**
Karona Trading SOIE	**P Ngqeleni**	**-**	**6**	**-**	**-**
Virgile Mining	**P Ngqeleni**	**-**	**14**	**2**	**-**
		69,370	**76,221**	**8,836**	**6**

Company represented	Board member	Levies Received 2008-09 R'000	Payments 2008-09 R'000	Payable 2008-09 R'000	Overpayments 2008-09 R'000
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	48,274	11,099	1



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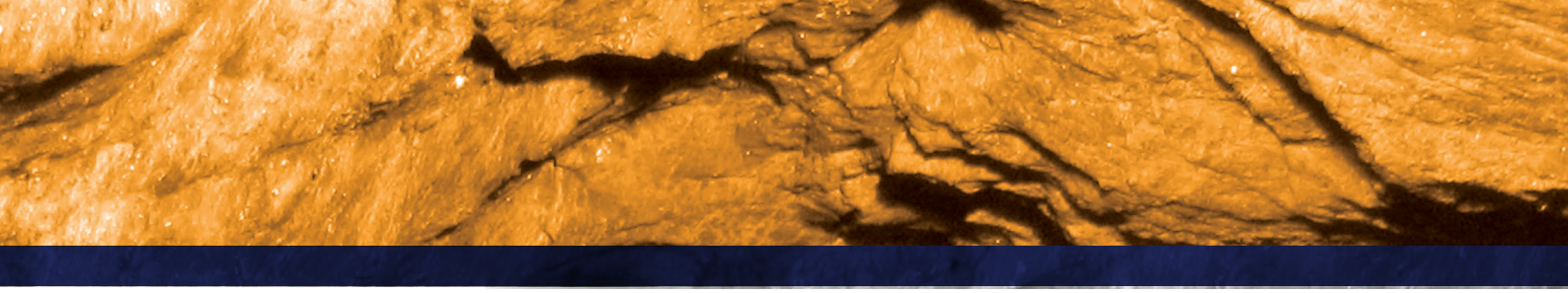

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