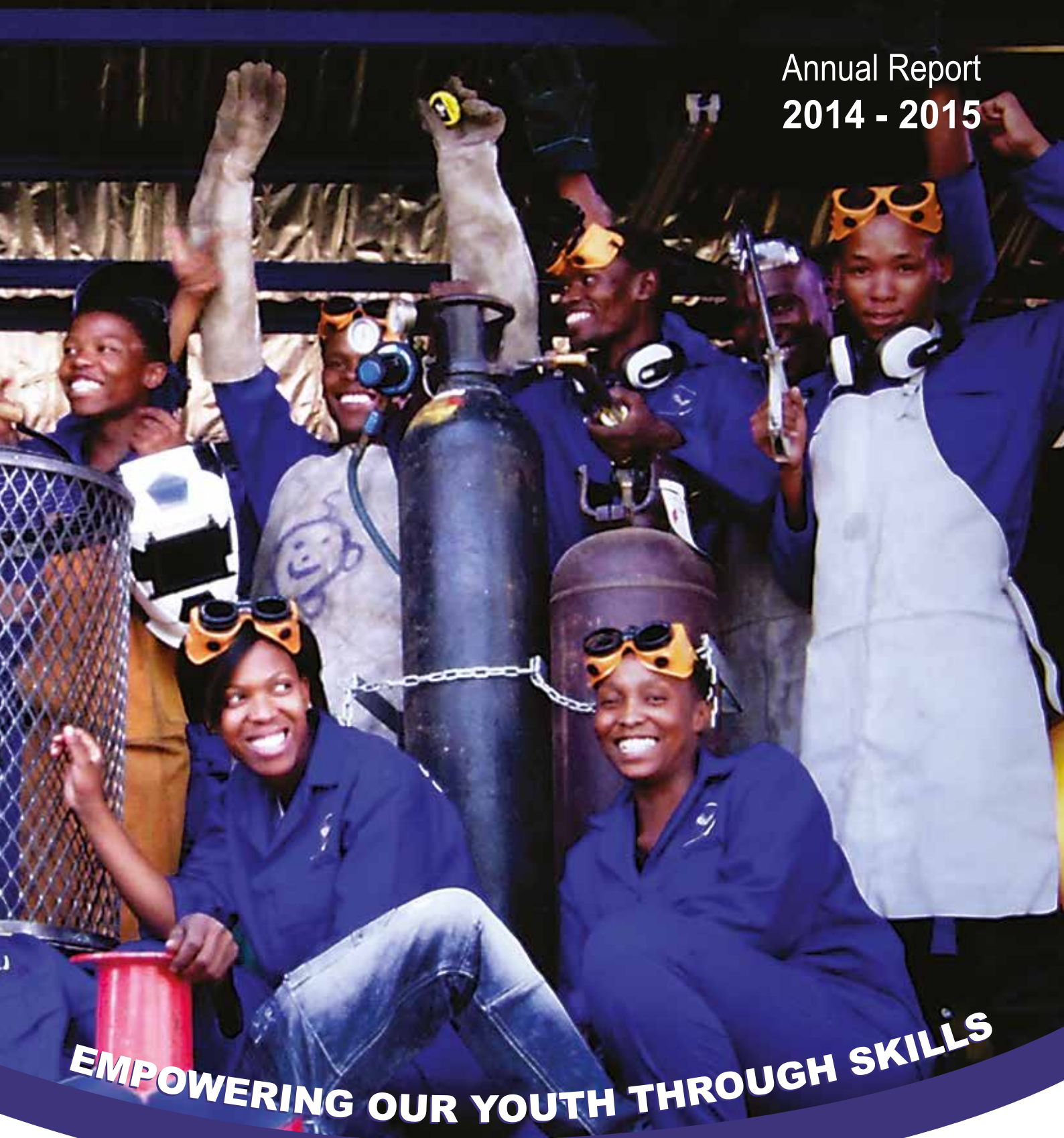


Annual Report
2014 - 2015



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Digging with Skills and Knowledge



MINING QUALIFICATIONS AUTHORITY

ANNUAL REPORT 2014 - 2015



DR BONGINKOSI "BLADE" NZIMANDE
MINISTER OF HIGHER EDUCATION
AND TRAINING



ADV NGOAKO ABEL RAMATLHODI
MINISTER OF MINERAL RESOURCES

HONOURABLE MINISTERS

IT IS A PLEASURE TO PRESENT THE ANNUAL REPORT OF THE
MINING QUALIFICATIONS AUTHORITY FOR THE FINANCIAL YEAR
1 APRIL 2014 TO 31 MARCH 2015



MR DAVID MSIZA
CHAIRPERSON



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Digging with Skills and Knowledge



MINING QUALIFICATIONS AUTHORITY

VISION

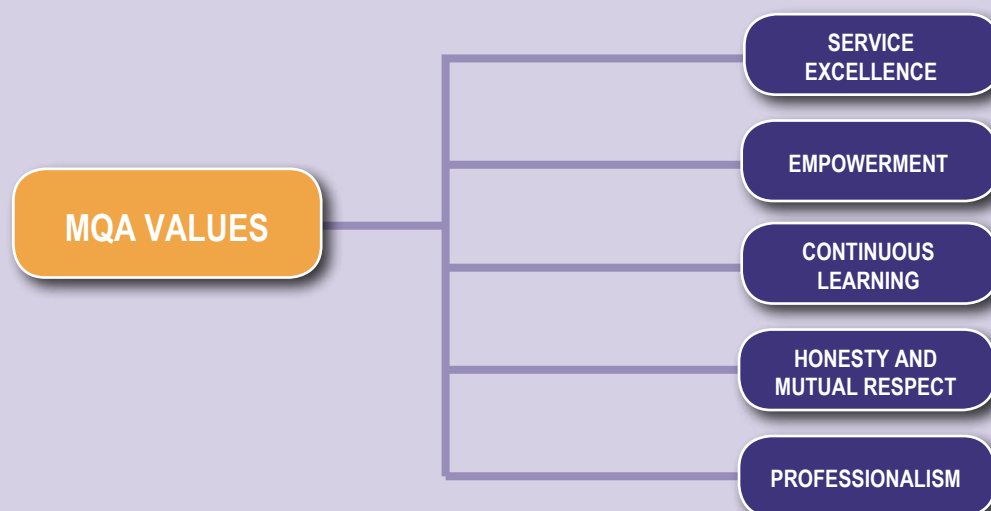
A competent health and safety-oriented mining and minerals workforce.

MISSION

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

VALUES

The MQA subscribes to the following values:



STRATEGIC OBJECTIVES

1. Support transformation of the sector through skills development.
2. Support objective decision-making for skills development through research in the sector.
3. Enhance information management of skills in the development of the sector.
4. Facilitate and support the development and implementation of core skills development programmes aligned with the sector qualifications framework.
5. Enhance the monitoring, evaluation and review of the delivery, capacity and quality of skills development in the sector.
6. To run an efficient, effective and transparent corporate governance system within the legislative framework.

LEGISLATION GOVERNING THE MQA

The Mining Qualifications Authority (MQA) is a state-owned entity of the Department of Higher Education and Training (DHET), mandated to develop the mining and minerals sector. There are various pieces of key legislation and strategic documents that govern the operations of the MQA. These are listed below:

APPLICABLE LEGISLATION		
DEPARTMENT OF MINERAL RESOURCES (DMR)	DEPARTMENT OF HIGHER EDUCATION AND TRAINING (DHET)	DEPARTMENT OF FINANCE (DOF)
<ul style="list-style-type: none">• Mine Health and Safety Act (MHSA) of 1996• Minerals and Petroleum Resources Development Act (MPRDA) of 2002• Mining Charter• Social and Labour Plan	<ul style="list-style-type: none">• Skills Development Act 97 of 1998• South African Qualifications Authority Act (SAQA) 58 of 1995• Higher Education Act of 1997• National Financial Aid Scheme Act of 1999• Adult Basic Education and Training Colleges Act of 2006• Further Education and Training Colleges Act of 2006• National Qualifications Framework Act of 2008	<ul style="list-style-type: none">• Skills Development Levies Act 9 of 1999• Tax Act, Section 12H Learnership Allowances• Public Finance Management Act (PFMA) of 1999
RELEVANT REGULATIONS	RELEVANT REGULATIONS	RELEVANT REGULATIONS

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



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SECTION 1

GENERAL INFORMATION

SECTION 1: GENERAL INFORMATION

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“The MQA improved on organisational performance against targets on the DHET SLA and Annual Performance Plan for the year under review, achieving 84% overall performance.”

David Msiza, Chairperson



1.1 STRATEGIC OVERVIEW BY THE CHAIRPERSON

MR DAVID MSIZA
CHAIRPERSON

On behalf of the governing Board of the Mining Qualifications Authority (MQA), it gives me great pleasure to present the 1 April 2014 to 31 March 2015 Annual Report to the Honourable Minister of Higher Education and Training, Dr Blade Nzimande, the Honourable Minister of Mineral Resources, Advocate Ngoako Ramatlhodi, our various industry stakeholders, labour organisations, as well as employees in the mining and minerals sector.

The MQA is a Sector Education and Training Authority (SETA), established in terms of the Skills Development Act of 1998 and the National Skills Development Strategy 3 for the period 2011 to 2016. It is a catalyst for transformation and facilitation of skills development training within the mining and minerals sector. In addition to the execution of its mandate, the MQA supports the Broad-Based Socio-Economic Empowerment Charter (Mining Charter) in terms of the Minerals and Petroleum Resources Development Act of 2002 and the Mine Health and Safety Act of 1996. The guidelines set out in the National Skills Development Strategy 3 (NSDS 3) of the Department of Higher Education and Training (DHET) direct the following strategic objectives adopted by the MQA:

- Support sector transformation through skills development.
- Support objective decision-making for skills development through sector research.
- Enhance information management for skills development in the sector.
- Facilitate and support the development and implementation of core skills development programmes aligned with the sector qualifications framework.
- Enhance the monitoring, evaluation and review of the delivery, capacity and quality of skills development in the sector.
- To run an efficient, effective and transparent corporate governance system within the legislative framework.

The MQA's Audit Committee expressed satisfaction with risks identified and the controls implemented during the period under review. The MQA's risk strategy and its fraud prevention campaign (including the MQA toll-free hotline where the public and stakeholders can, in absolute confidentiality, report fraudulent activities) are commendable.

The MQA, as a public entity, is also guided by relevant regulations and guidelines which enhance the efficient and effective use of financial resources in line with the Public Finance Management Act



“The MQA’s presence in six mining regions contributed to creating closer partnerships with regionally-based stakeholders”

(No. 1 of 1999 as amended by Act 29 of 1999). The Board exercised sufficient oversight over the core and support functions of the MQA during the period under review, and is satisfied that control measures are sufficiently efficient and effective to mitigate potential risks to the MQA. Furthermore, the Board and its standing committees are fully functional and support the strategic mandate of the MQA in their respective operational and technical capacities.

I am privileged to form part of an organisation that is well managed in order to deliver favourably on its mandate.

HIGHLIGHTS

The MQA's presence in six mining regions contributed to creating closer partnerships with regionally-based stakeholders who include mining employers and employees, labour organisations, traditional leaders as well as the Technical Vocational Education and Training (TVET) college learners where the MQA regional offices are located.

There is an increasing need to provide communities with the necessary skills, where mining activity is prevalent, in order to create a pool of skilled individuals. The MQA, its mining stakeholders and municipalities contributed to this process through its participation in community development and mine community development programmes.

The MQA improved on organisational performance against targets on the DHET SLA and Annual Performance Plan for the year under review, achieving 84% overall performance. This represents an increase of 22% from the previous year.

MANDATORY GRANTS

Skills development legislation requires that all mining companies, regardless of size, submit their workplace skills plans (WSPs) and annual training reports (ATRs) as part of their commitment to skills development, training and transformation.

The submission date for WSPs and ATRs was changed from 30 June to 30 April annually. Employers responded positively to this change and a large number of WSPs and ATRs were submitted by the deadline. This ensures that the sector adopts a culture of continuous learning so that an informed profile of the scarce and critical skills needs within the sector is always available.

The MQA received R915 million for skills levy income. A total of R195 million was disbursed for mandatory grant payments in the last financial year, resulting in 85% of mandatory grants paid out.

The MQA also invested in various projects that addressed the skills needs of the sector, and the results will guide the nature of interventions required to develop the sector.

DISCRETIONARY GRANTS

The MQA Board approved a total budget of R843 million for discretionary projects, with R766 million allocated to commitments. The total spent on discretionary grants was R725 million. This enabled the MQA to exceed the targets set for its performance in various projects, which included various artisan and non-artisan learning programmes, the Occupational Health and Safety Skills Programme, mathematics and physical science extra-curricular support, bursaries, work experience, internships, as well as projects to support historically disadvantaged individuals in their career progression within the sector.

These projects address the skills gaps identified in the Sector Skills Plan to fulfil the MQA strategic goals that are informed by the deliverables outlined in the NSDS3.

ADMINISTRATION BUDGET

The MQA's income continues to be stable and the organisation received an unqualified report from the Auditor-General during the 2014 to 2015 financial year. During the period under review, the total revenue increased to R993 million, from R937 million during the 2013 to 2014 financial year, in spite of the challenges that were experienced in the industry.



“Learners from disadvantaged backgrounds continued to benefit from the bursaries that offer learners the opportunity to study towards mining qualifications”

The MQA's administration costs increased from R89 million in the 2013 to 2014 financial year to R108 million in the 2014 to 2015 financial year. The total budget for the year was R113 million, which resulted in 89% of the total budget being spent and a saving of R13 million.

CAREER GUIDANCE AND SUPPORT FOR LEARNERS

The MQA continues to invest in the youth and has made inroads in attracting Maths and Science learners, as well as graduates who are passionate about pursuing careers in the mining and minerals sector. During the period under review, there was an increase in the number of career guidance workshops attended and, in turn, the number of learners who participated successfully in the additional lessons in Maths and Science offered at various schools and at learning centres as part of the MQA's Maths and Science Project.

Learners from disadvantaged backgrounds continued to benefit from the bursaries that offer learners the opportunity to study towards mining qualifications at universities and universities of technology, and also those who pursue artisan trades at various TVET colleges. Further support was offered to graduates who received postgraduate placements with various mining stakeholders, so as to enhance their qualifications for improved employability in the sector.

OCCUPATIONAL HEALTH AND SAFETY

The MQA programmes continue to contribute positively on Occupational Health and Safety, this central to all mining activity and the emphasis is often placed on supporting initiatives, aimed at the skilling of all mining and minerals sector employers and employees, based on the fundamental need for this skill programme.

The number of mining fatalities in 2014 was reduced to 84, compared to the 93 fatalities reported in 2013. In addition, there has been a 65% reduction in occupational diseases. The MQA and its partners in occupational health and safety have made great strides in increasing the pool of qualified Occupational Health and Safety (OHS) Representatives in the sector and training providers in this area. In the year under review, training was provided to 10 449 employees, including 50 DMR inspectors.

LITERACY SUPPORT

This support improved literacy levels in the sector and resulted in a greater drive to implement projects that would assist employees to improve their chances of enhancing their skills. Interventions that include the FLC and AET programmes are assisting adult learners in their pursuit of improved literacy skills.

TRANSFORMATION

The MQA continues to endorse the priorities outlined in the Mining Charter. During the period under review, there was an increase in the number of programmes implemented, resulting in an increase in the number of qualified historically disadvantaged individuals in the sector. The MQA also supported the creation of employment opportunities for women and people with disabilities within the mining and minerals sector as well as the empowerment of the youth in disadvantaged communities where mining takes place.

The MQA placed more emphasis on learning programmes that are aimed at supporting disadvantaged learners excelling in Maths and Science; qualified graduates seeking internship opportunities; and undergraduates seeking work experience to obtain their qualifications. There was also a marked increase in the number of historically disadvantaged suppliers who participated in skills development by providing various goods and services to the MQA.

The MQA, in the process of ensuring that targets across the skills development sector are met, implemented a number of internal processes and co-operation agreements with a number of other role-players which the Board found to be paramount to the continued success of the MQA.

The 'first-come-first-served' approach that was introduced during the 2013 to 2014 financial year, to encourage employers to enrol more learners in different MQA learning programmes, was also applied during the 2014 to 2015 financial year. The majority of employers participated positively in this strategy and this contributed greatly to the successful disbursement of the discretionary grants that had been allocated for the various learning programmes.



Bursary Programme: A learner during a graduation ceremony

CHALLENGES

The issue of certifying learners, who participated in non-artisan learning programmes through the Recognition of Prior Learning (RPL) process poses a challenge to the sector. There was also a slow intake to train artisan aides in becoming qualified in their trades. In both aspects, the slow response from the sector has been a factor and continued engagement with role-players in the sector will assist in encouraging support for this drive to skill artisan aides.

The intake of learners on various programmes was also hampered by labour unrest in the sector.

My sincere appreciation also goes to the employers and labour organisations for their continued support and feedback during the various stakeholder engagements.

I also extend my gratitude, on behalf of the MQA Governing Board, to the MQA employees for their stellar performance and support while the MQA's mandate was executed over the past year in spite of some challenges.

It is this commitment to service delivery and efforts for increased improvement that will ensure that the MQA continues to be a vehicle for accelerated skills development training for the mining and minerals sector.

APPRECIATION

To both the Ministries of both Higher Education and Training and Mineral Resources I extend my gratitude.

I would also like to extend my gratitude to the MQA Board, the Audit and Risk Committee, Human Resources Remuneration Committee, and other standing committees, as well as the internal and external auditors. It is indeed an honour to serve as a member of the Board in conjunction with committed board members.

David Msiza
Chairperson of the MQA Board
31 May 2015





1.2 OPERATIONAL OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

MR SAM SEEPEI

CHIEF EXECUTIVE OFFICER

It is an honour for me to present the MQA's Annual Report, highlighting the organisation's performance for the financial year 1 April 2014 to 31 March 2015, measured against targets set out in the National Skills Development Strategy 3, the Mining Charter and the MQA's Strategic Plan. During the financial year under review I was able to strengthen relationships with the Department of Higher Education and Training (DHET), the Department of Mineral Resources, Higher Education Institutions (HEI), Technical, Vocation, Education and Training (TVET) colleges, employers and employees in the mining and minerals sector, labour organisations, accredited training providers, as well as employed and unemployed learners in all our provinces through regular interactions.

The 2014-2015 financial year presented the MQA with a number of opportunities while maintaining our commitment to skills development as guided by our six strategic objectives, which override the MQA activities and its implementation of skills development projects in the mining sector.

The support of the dedicated MQA staff and the contribution made by our stakeholders fills me with great pride as we were able to achieve over 80% of the targets that were set for the financial year as per the Service Level Agreement between the MQA and the Department of Higher Education and Training.

Our achievements included:

RESEARCH IN THE SECTOR

We once again exceeded our target of 500 set for the submission of workplace skills plans and annual training reports (WSP-ATR). Even though, the number received declined from the previous year, a total of **573** (585: 2013-2014) WSP- ATR's were received.

The MQA conducts ongoing research through WSP and ATR inputs. In addition, a total of 14 research projects were conducted, highlighting our commitment to our Strategic Objective 2, for outputs in the sector. Some of the research focused on Occupational Adult Education and Training (AET) and a study on the General Certificate on Competency (GCC) failure rates was conducted with the University of Johannesburg.

YOUTH AND LEARNER DEVELOPMENT

In our efforts to increase an awareness of career opportunities available in the mining and minerals sector, a total of 6 041 learners attended career guidance exhibitions with 1 037 learners in grades 10, 11 and 12 obtaining credible passes in maths and science. A total of 535 learners were part of the MQA bursary scheme, while 822 learners were assisted with workplace experience and 699 graduates participated in the internship programme.



"A total of 10 449 employees completing the Occupational Health and Safety (OHS) Representatives programmes, against the set target of 5 000."

ARTISAN AND NON-ARTISAN LEARNING PROGRAMMES

Health and safety in the mines is of fundamental importance in ensuring that the well-being of the employees in the sector comes first. The MQA exceeded the target set for training in the Occupational Health and Safety Skills programme, with a total of 10 449 employees completing the Occupational Health and Safety (OHS) Representatives programmes, against the set target of 5 000. The MQA exceeded the target set in support of learners inclusive of people with disabilities, diamond and jewellery beneficiaries, RPL and core MQA learnerships with a total of 3 264 learners.

We always aim to empower learners where we can and ensure they are able to equip themselves with the tools necessary to better their lives. There were 4 185 learners who were registered and completed artisan programmes, against a set target of 3 900.

SUPPORT FOR HIGHER EDUCATION AND TRAINING INSTITUTIONS, AS WELL AS ACCREDITED TRAINING PROVIDERS

A total of 27 historically disadvantaged lecturers at higher education and training institutions were supported in order to be responsive to sector skills needs and priorities. Furthermore, 20 TVET lecturers were placed for workplace exposure.

STAKEHOLDER DEVELOPMENT

Development is one of the key areas in which the MQA prides itself and because of this, we developed 1 383 skills development facilitators (SDFs) and skills development committee members against the target of 550 in an effort to further enhance their understanding of the mining and minerals sector skills programmes.

SUPPORT FOR LITERACY IN THE SECTOR

- 2 151 learners completed their AET learning programmes, against the set target of 2 000
- 257 learners completed the FLC learning programme, against a set target of 250
- 984 activities were conducted to support literacy in the sector, against the set target of 800
- 29 qualifications and standards for HEI and TVET programmes were developed, against the set target of 5

SUPPORT FOR HISTORICALLY DISADVANTAGED INDIVIDUALS

There has been a 91.75% increase in the number of historically disadvantaged individuals providing goods and services to the MQA, against the set target of 40%

The MQA continues to increase its presence in all provinces through stakeholder engagement activities. Compliance with various pieces of legislation, policies and reporting mechanisms is ensured by monitoring and evaluating all MQA projects.

CHALLENGES

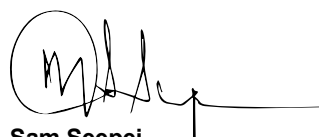
The MQA strives to rise above challenges at all times. During the period under review, there were many challenges, some of which we managed to overcome, while others contributed to a few of our set targets not being met. Despite these challenges, we as the MQA, always look to rise above these challenges and work on enhancing skills for the benefit of employment and the creation of jobs.

APPRECIATION

I would like to thank all the various stakeholders who were instrumental in making the past year a success. The DHET, DMR, the MQA Board and standing committees for their continued support in achieving the MQA objectives.

To the various employers in the sector and labour organisations, I value your engagement efforts and the feedback provided, which continues to guide our ongoing improvements. Without the supporting organisations in our sector it would not be possible to implement our learning programmes.

My appreciation is extended to the MQA management and staff for their contribution and tireless efforts during the period under review. The success of the MQA may be attributed to a joint effort, as well as your continued support that is evident in the performance achieved.



Sam Seepei
Chief Executive Officer

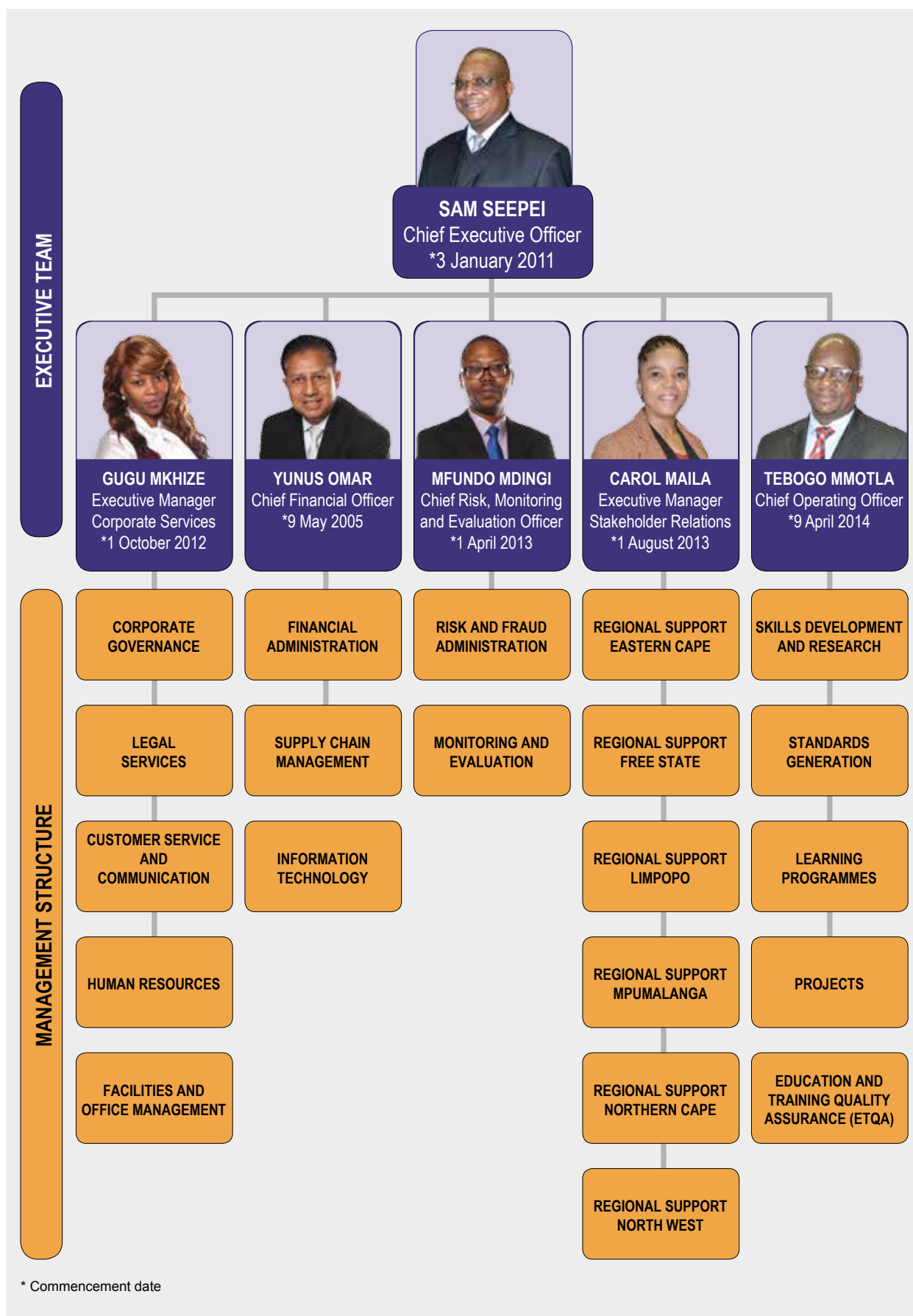




A trainee at work



1.3. ORGANISATIONAL STRUCTURE



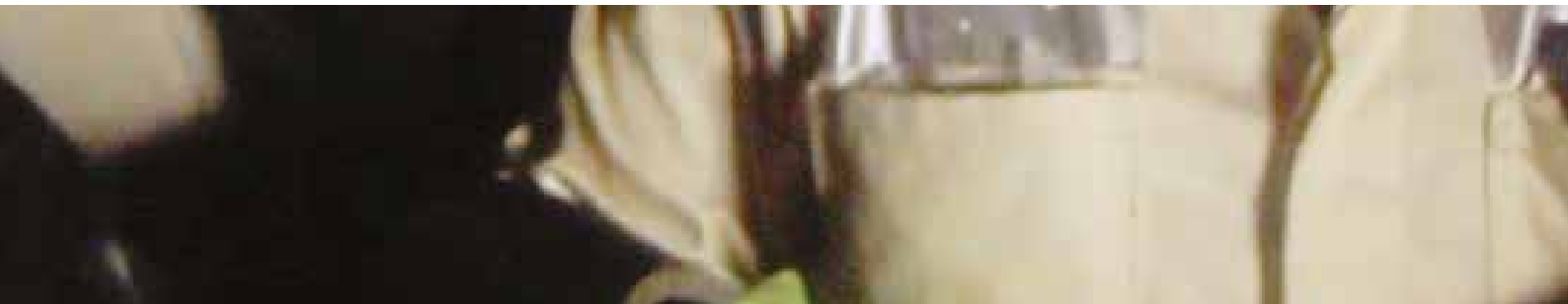


SECTION 2

CORPORATE GOVERNANCE

SECTION 2: CORPORATE GOVERNANCE INFORMATION

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“I am privileged to form part of an organisation that it is well managed in order to deliver favourably on its mandate”.

David Msiza, Chairperson



2.1. CORPORATE GOVERNANCE

Corporate governance is an organisational priority, essential for managing the organisation effectively and within the relevant prescripts. The MQA ensures that its policies, processes, procedures and practices are regularly reviewed for consistent compliance with legal provisions. The parameters set through strategies, policies and procedures enable the efficient and effective use of resources. During the period under review, a strong emphasis was placed on the achievement of pre-determined objectives and the disbursement of mandatory and discretionary grant funding.

In line with the terms of Regulation 30 of the Treasury Regulations, a Service Level Agreement (SLA) must be concluded annually between the MQA and the Department of Higher Education and Training. This agreement should contain key performance indicators and outcomes expected by the executive authority in line with the protocol for corporate governance in the public sector.

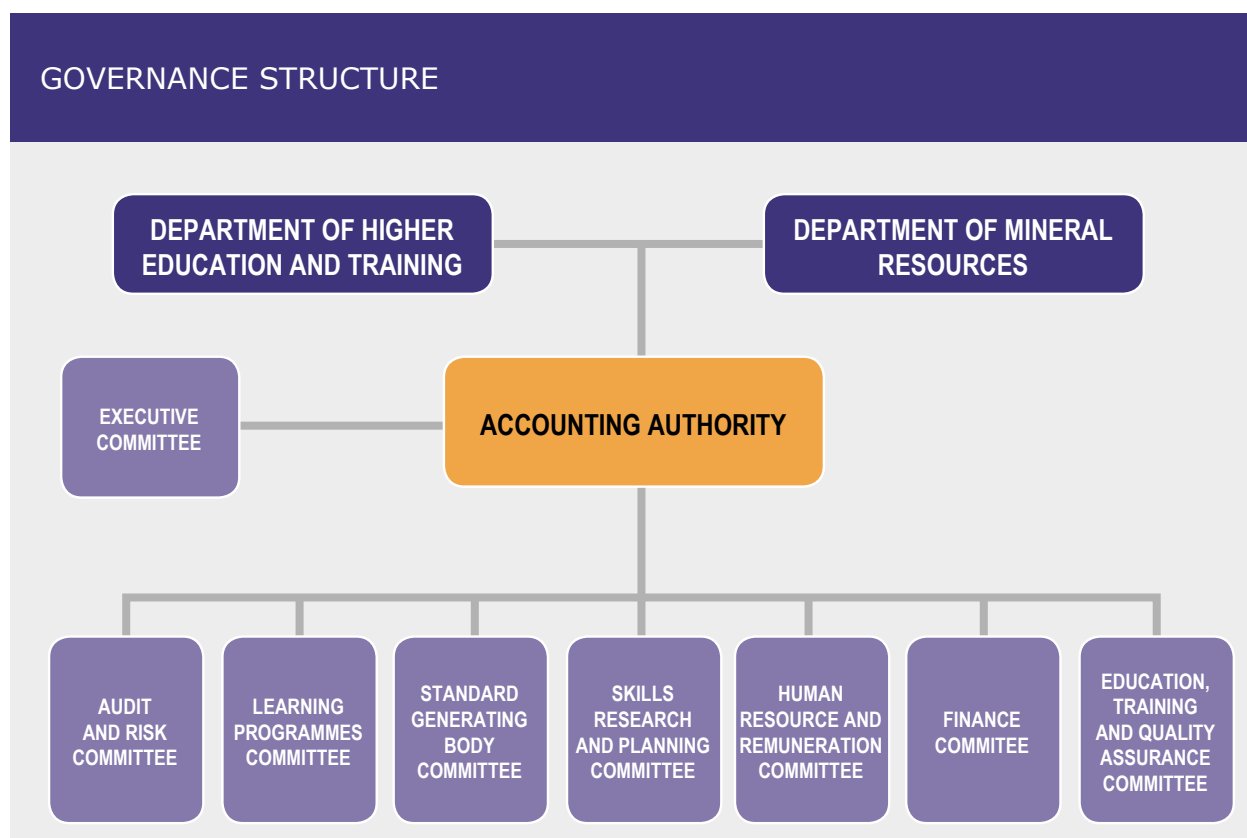
The Accounting Authority provides strategic direction and leadership, determines goals and objectives of the MQA, and approves key policies, financial objectives, plans, goals and strategies. The MQA Constitution, the Authority

Charter and the Terms of Reference for all standing committees are aligned to the principles of the Code of Corporate Practices and Conduct contained in the King III report. The Accounting Authority's standing committees played a critical oversight role that created an enabling environment for the achievement of goals. The manner in which the mandate of the MQA is executed demonstrates the maturity of its governance framework.

2.1.1 GOVERNANCE STRUCTURES

In the execution of its oversight function, the Accounting Authority is supported by seven standing committees that provide strategic support. These include the:

- Audit and Risk Committee
- Human Resources and Remunerations Committee
- Finance Committee
- Skills Research and Planning Committee
- Learning Programmes Committee
- Standards Generating Body Committee
- Education Training and Quality Assurance Committee





2.1.2 BOARD MEMBERS



DAVID MSIZA
CHAIRPERSON



HEADMAN MBIRO
DEPARTMENT OF MINERAL RESOURCES

MINISTERIAL



THULANI TSHOZANE
DEPARTMENT OF HIGHER
EDUCATION AND TRAINING



JOHAN VENTER
COLLIERY TRAINING CENTRE



LORATO MOGAKI
ANGLO PLATINUM



NOMATHEMBA KUBEKA
DEPARTMENT OF HIGHER EDUCATION
AND TRAINING



AMON TETEME
NATIONAL UNION OF MINE WORKERS



AZARIA TSHANGASE
NATIONAL UNION OF MINE WORKERS



STATE



MOTLATSO KOBE
DEPARTMENT OF MINERAL RESOURCES



MTHOKOZISI ZONDI
DEPARTMENT OF MINERAL RESOURCES



PAT GAMEDE
DEPARTMENT OF MINERAL RESOURCES

EMPLOYERS



MASHEGO MASHEGO
HARMONY GOLD



SHERIDAN ROGERS
PETRA DIAMONDS



VUSI MABENA
CHAMBER OF MINES

LABOUR



FAITH LETLALA
NATIONAL UNION OF MINE WORKERS



ZWELITSHA TANTSI
NATIONAL UNION OF MINE WORKERS



RICHARD SAMUEL
UNITED ASSOCIATION OF SOUTH AFRICA



2.1.3. BOARD AND STANDING COMMITTEES' ROLES AND RESPONSIBILITIES

The summary of roles, functions, composition, quorum requirements and frequency of meetings of each structure.

	NAME	FUNCTION	COMPOSITION	QUORUM	CHAIRPERSON	SECRETARY	MEETING
1	MQA Board	Accounting Authority policy, strategies and resources allocations.	Five representatives per stakeholder group present. Two ministerial appointees.	Two stakeholder groups present.	Chief Inspector of Mines.	External service provider.	Quarterly
2.	Executive Committee (EXCO)	Board delegated tasks and management oversight.	Chairperson of the Board, three conveners, CEO, COO, CFO, Executive Manager Corporate Services (EMCS), Chief Risk Monitoring and Evaluation Officer (CRMEO), Executive Manager Stakeholder Relations (EMSR) and one stakeholder.	Two convenors.	Chief Inspector of Mines.	External service provider.	Quarterly
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, EMCS, CRMEO and EMSR.	Two stakeholders from different stakeholder groups and one external representative present.	External representative.	External service provider.	Quarterly
4.	Finance Committee	Advises on budget, financial control of projects and grants, and levy grant disbursement.	Two representatives per stakeholder group, CEO, COO, CFO, EMCS, CRMEO and EMSR.	Two stakeholder groups present.	Board member	External service provider.	Quarterly
5.	Skills Planning and Research Committee	Advises on development and implementation of the Sector Skills Plan, administration of workplace skills plan and annual training report and grants, unit projects and grants implementation.	Two representatives per stakeholder group and unit management.	Two stakeholder groups present.	Board member	External service provider.	Quarterly
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, as well as liaising with other SGBs.	Four representatives per stakeholder group, two representatives from the Standards and Qualifications Co-ordinator Group (SQCG) facilitators, four representatives from professional bodies, two representatives from providers, one representative from manufacturers, suppliers and unit management.	Two stakeholder groups present.	Board member	External service provider.	Quarterly
7.	Learning Programmes Committee (LP)	Advises on learning programmes, skills programme registration, learning materials development, apprentice administration, MQA-I-Share administration, and unit projects and grants implementation.	Two representatives per stakeholder group.	Two stakeholder groups present.	Board member	External service provider.	Quarterly
8.	Quality Assurance Committee (ETQA)	Advises on quality assurance, accreditation, MoUs with SETAs, monitoring of learning provision, unit projects and grants implementation.	Two representatives per stakeholder group.	Two stakeholder groups present.	Board member	External service provider.	Quarterly
9.	Human Resources and Remunerations Committee (HRRESCO)	Oversees the implementation of a Remuneration Framework for the MQA.	Three external representatives, one representative per stakeholder group, CEO and EMCS.	Two stakeholders from different stakeholder group and one external representative present.	External representative.	External service provider.	Quarterly

*Stakeholders comprises the state, employer and labour representatives



2.1.4. BOARD MEETING ATTENDANCE 2014–2015

The summary of meetings attended during the financial year

	CHAIRPERSON	ORGANISATION	CONSTITUENCY	MEETING DATES				TOTAL
				28 May 2014	31 July 2014	24 November 2014	2 February 2015	
1	***D. Msiza	DMR - Pretoria	State	x	✓	✓	✓	3
2	^T. Tshozane	Ministerial appointee	Ministerial appointee	✓	✓	x	x	2
3	^N. Kubheka	Ministerial appointee	Ministerial appointee	✓	✓	✓	x	3
4	A. Tshangase	NUM – Head Office	Labour	x	✓	✓	✓	3
5	F. Letlala	NUM – Head Office	Labour	✓	x	x	x	1
6	R. Samuel	UASA	Labour	x	x	x	x	0
7	Z. Tantsi	NUM – Head Office	Labour	x	✓	x	x	1
8	**D. Shikati	NUM	Labour	✓	✓	✓	x	3
9	*A. Teteme	NUM – Head Office	Labour	✓	✓	✓	✓	4
10	*V. Mabena	Chamber of Mines	Employers	✓	✓	✓	✓	4
11	**S. Carthy	Chamber of Mines	Employers	x	x	x	✓	1
12	**L. Mogaki	Anglo Platinum	Employers	x	✓	x	x	1
13	**J. Venter	CTC	Employers	x	✓	x	✓	2
14	**M. Mashego	Harmony	Employers	✓	✓	✓	x	3
15	**S. Rogers	Petra Diamonds	Employers	x	✓	✓	x	2
16	**P. Gamede	DMR	State	x	✓	✓	✓	3
17	**H. Mbiko	DMR	State	✓	x	✓	✓	3
18	**M. Kobe	DMR	State	x	x	x	✓	1
19	**M. Zondi	DMR	State	✓	✓	x	✓	3

*** Chief Inspector of Mines * Convenor of Stakeholder Representation ** Members ^ Ministerial appointees

2.1.5. BOARD STRATEGIC PLANNING SESSION

Planning is a critical aspect of any organisation that aims to deliver on its strategic objectives. The MQA Accounting Authority held its strategic session on 27 and 28 August 2014. The purpose of the session was to review the strategic direction of the organisation, assessing internal and external challenges, providing direction and reviewing the Annual Performance Plan. The Strategic Planning session enabled the MQA to embark on an optimisation exercise to ensure value for money for its programmes and the efficient use of resources. The key areas identified for the optimisation exercise included cost containment, maximising organisational resource management, monitoring and evaluation, implementation of a new performance management system, the enhancement of internal controls, internal re-organisation and systems review and prioritisation.

2.1.6. STAKEHOLDER CAPACITY BUILDING

Providing capacity to stakeholders is critical to ensuring a common understanding and encouraging stakeholder support for the MQA mandate. It also contributes to creating awareness of the MQA as a brand and sharing of information about the MQA business that generates interest to its stakeholders. On an annual basis, the MQA schedules an engagement session with stakeholders to share relevant and accurate information. The Organised Labour Workshop was organised and facilitated by the MQA on 9 and 10 March 2015 for the newly appointed stakeholder representatives. Stakeholders received with information covering the MQA mandate, vision, mission, strategic objectives, skills development value chain and its programmes.





SECTION 3

PERFORMANCE INFORMATION

SECTION 3: PERFORMANCE INFORMATION

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“Of the 33 targets set 28 were achieved and 5 were not met. Additionally an 84% expenditure was achieved.”



3.1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2015

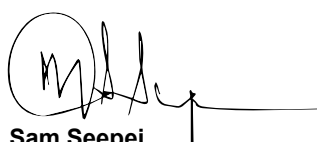
The Chief Executive Officer is responsible for the preparation of the MQA performance information and for the judgements made on this information.

The Chief Executive Officer is also responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the MQA for the financial year ended 31 March 2015.

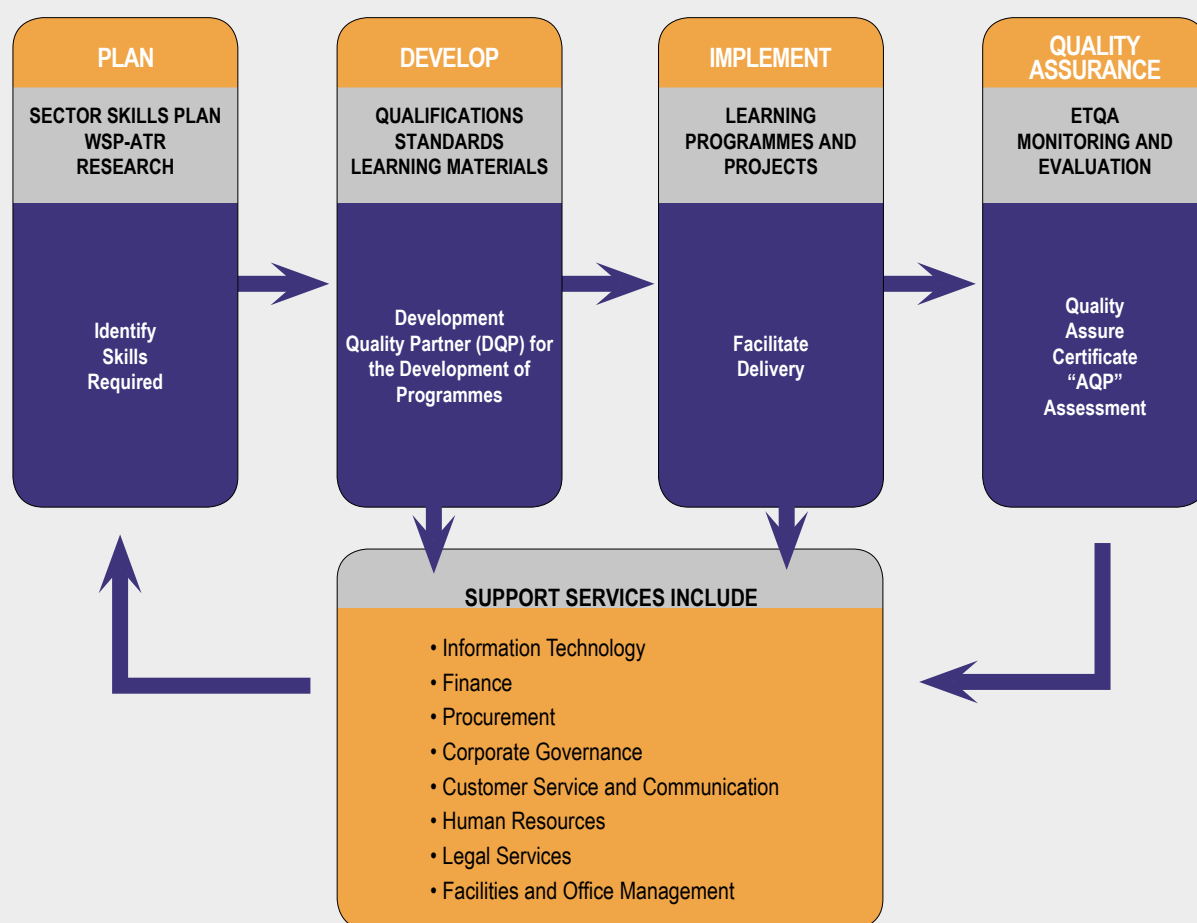
The MQA performance information for the year ended 31 March 2015 has been examined by the Audit and Risk Committee and their report is presented on page 57.

The performance information of the MQA as set out on pages 16 to 43 has been approved by the MQA Board.



Sam Seepei
Chief Executive Officer
31 May 2015

3.2. MQA VALUE CHAIN





3.3. THE MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

During the 2014–2015 financial year, the MQA implemented various projects and initiatives in support of the broad-based socio-economic empowerment charter known as the Mining Charter, as amended in September 2010.

The Mining Charter sets out the following objectives:

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

In addition the Mining Charter has the following elements:

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

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

BENEFICIATION SUPPORT

The MQA continued to support the training of learners in diamond processing and jewellery manufacturing, funding a total of **252** learners. Since 2010, a total of **1 115** learners have been trained. Support for the national DMR beneficiation strategy also continued during the period. Bursaries were awarded to higher education institutions in Jewellery design and manufacturing to support beneficiation.

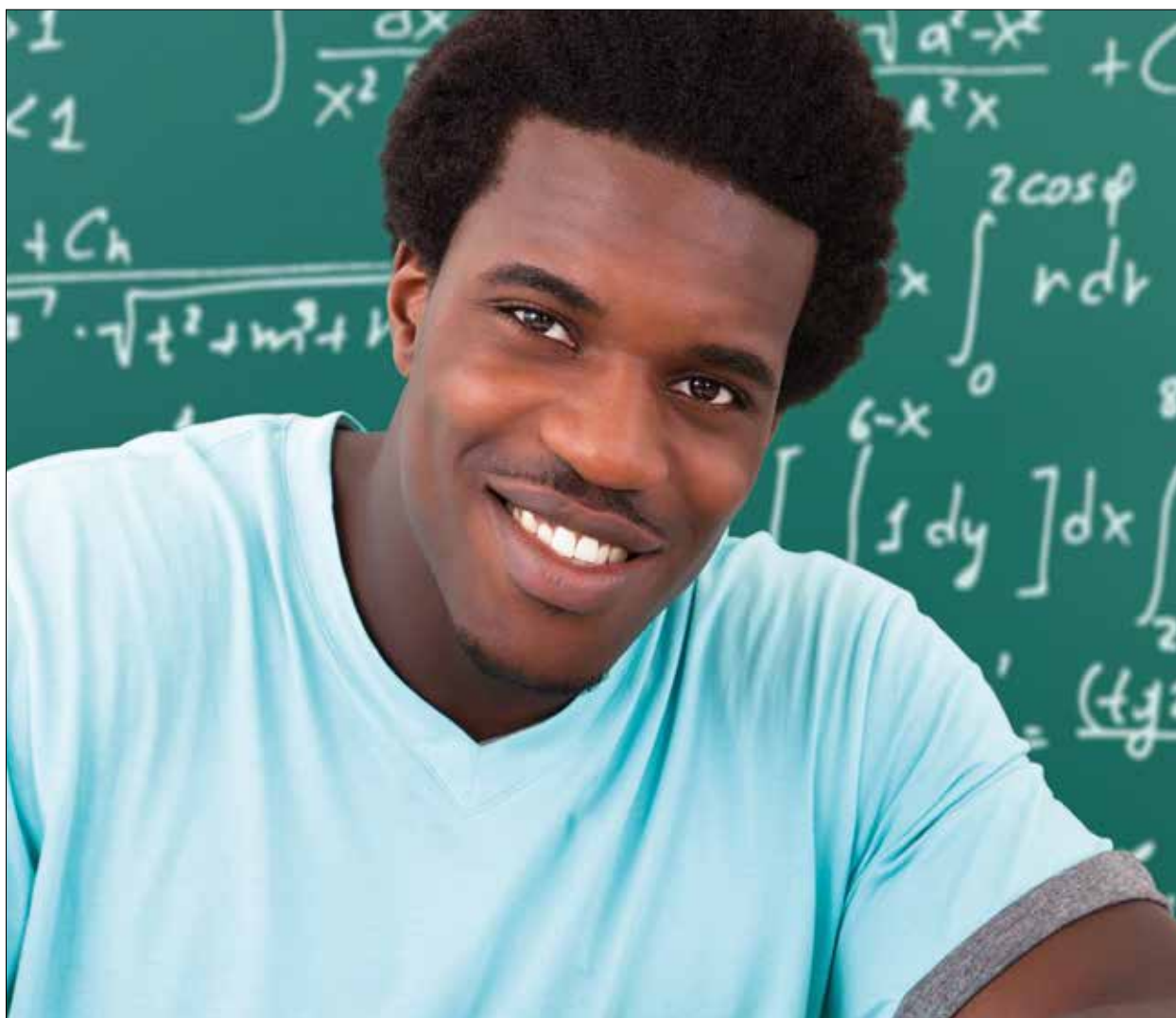
In addition, the MQA embarked on curriculum development for diamond and jewellery programmes. The beneficiation process controller, diamond cutter and diamond setter qualifications were developed during the period. The MQA further mapped beneficiation qualifications in line with the 2014-15 MQA Sector Skills Plan which included a demand and supply analysis.

MINE COMMUNITY DEVELOPMENT SUPPORT

The MQA supported various mine communities and labour sending areas, with skills development initiatives. These programmes were not restricted to mining skills but also included training for retrenchees in portable and entrepreneurial skills such as carpentry, bricklaying and painting. A total of R25 million was disbursed for mine community support and **2 500** learners were trained. The MQA also offered maths and science extracurricular classes to **1 037** disadvantaged learners in rural schools. Career guidance activities were conducted in rural mining communities to highlight career opportunities in the mining and minerals sector. Marikana, Sekhukhune, Matlosana and Merafong were some of the communities supported.

HDSA LECTURER SUPPORT

The MQA continued supporting **27** HDSA lecturers at universities. Twenty (**20**) TVET lecturers were placed in mines to gain practical exposure to the workplace. Another



Artisan development programme creating opportunities for the youth

150 black managers were supported to complete their management development training. The MQA also funded **535** undergraduate bursaries in disciplines related to the mining and minerals sector. These bursaries are targeted at previously disadvantaged learners in rural communities. The MQA increased its BEE level 1–4 spend to 91.8% of service providers and vendors providing services to the SETA.

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

and elements such as employment equity and human resource development.

A demand and supply analysis of green skills for the mining and minerals sector, value chain was conducted during 2014–2015 in support of the sustainable development and growth of the mining industry. Additionally, the MQA supports green skills through the funding of various programmes.

The MQA also expanded its human resource complement in the regional offices in order to enhance support for most vulnerable mining communities and ensure that services are brought nearer to them.

Monitoring and evaluation activities were intensified to ensure support and compliance to the Mining Charter objectives.



3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

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

Summary of the MQA's performance achievements

NUMBER OF TARGETS AGREED UPON	NUMBER OF TARGETS NOT MET	NUMBER OF TARGETS ACHIEVED
33	5	28
100%	15.2%	84.8%

Summary budget achievement

ANNUAL BUDGET	TOTAL EXPENDITURE	PERCENTAGE EXPENDITURE
R 843 360 000	R 714 377 000	84.7%



A professional mining engineer and two geologists at work

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

1							
One							
To support the transformation of the sector through skills development							
To increase public sector capacity for improved service delivery and support the building of a developmental state							
Interventions related to this strategic objective will focus on HDISA lecturer support, people with disabilities and recognition of prior learning in the mining and minerals sector.							
NO. REF	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION
1,1	LECTURER SUPPORT To increase the number of historically disadvantaged South African (HDSAs) lecturers in mining related disciplines at Higher Education & Training (HET) institutions.	Number of HDISA lecturers at HET institutions supported in different fields relevant to the MMS.	27	27	27	0	Target met.
1,2	ARTISAN AIDES To provide training that will enable currently employed artisan aides/ assistants to access qualifications to become fully qualified artisans.	Number of artisan aides supported on artisan aide programmes.	191	500	335	-165	Target Not Met: This is due to a small uptake in the sector. There is urgent need for engagement and collaboration with the sector to create awareness and improve on this target.
1,3	RECOGNITION OF PRIOR LEARNING To provide training for non-artisan learning programmes through RPL.	Number of learners certificated in non-artisan learning programmes through RPL.	No Target in Prior Year	100	46	-54	Target Not Met: Implementation of RPL in 2014-15 was impeded by the lack of a universal standard to guide the various stakeholders. A national policy on the implementation of RPL has now been formulated and will be used for all RPL interventions.

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme	2						
Skills Development Priority.....	Two						
MQA Strategic Objective.....	To support objective decision making for skills development through research in the sector.						
NSDS Goal 4.7.....	To establish a credible institutional mechanism for skills planning.						
Priority Focus.....	The specific interventions that will address this strategic objective include support and capacity building for Skills Development Facilitators (SDF)s, skills development research, impact analysis, support for skills audits at organisational level and contributing to the body of knowledge in skills development within the sector as well as nationally.						
NO. REF	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION
2.1	Skills Development Facilitators To build the capacity of skills development facilitators and skills development committee members in order for them to better understand the MMS skills development environment.	Number of skills development facilitators and skills development committee members trained.	889	550	1 383	833	Target Exceeded: This is due to more companies registering to participate. Additionally more Skills Development Committees also participated.
2.2	Research Projects To conduct relevant prioritised research into skills development related issues in the MMS as per the annual research agenda.	Number of research projects conducted.	5	7	14	7	Target Exceeded: This is due to 7 prior year research projects being carried over to 2014/15.
2.3	MMS WSP/ATRs To continuously evaluate and monitor MMS Workplace Skills Plans (WSPs) and Annual Training Reports(ATR).	Number of submitted WSPs/ ATRs evaluated.	585	500	573	73	Target Exceeded: This is due to increased participation in the WSP/ATR submissions by industry.
2.4	Skills Audits To support MMS organisations in conducting skills audits within their operations.	Number of research projects conducted.	0	50	50	0	Target Met.
2.5	HEI Research Collaboration To collaborate with Higher Education Institutions regarding skills development research in the MMS.	Number of SLA/MoUs entered into with higher education institutions (HEIs).	2	2	2	0	Target Met.
2.6	Post Graduate Research Support To support post-graduate students who undertake studies in MMS related research topics.	Number of SLA/MoUs entered into with higher education institutions (HEI).	0	3	3	0	Target Met.

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme.....	3						
Skills Development Priority.....	Three						
MQA Strategic Objective.....	To enhance knowledge management for skills development in the sector						
NSDS Goal 4.7	To establish a credible institutional mechanism for skills planning.						
Priority Focus.....	The specific intervention that will address this strategic objective is the design and development of a fully integrated Management Information System (MIS) to manage, monitor and analyse skills development information to support decision making within the sector as well as nationally.						
NO. REF	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION
3.1	Management Information System To develop an integrated functional management information system (MIS) that meets the needs of stakeholders.	Management information system implementation.	50%	90%	35%	-55%	Target Not Met: A more integrated and functional MIS will be procured going forward. Plans are already under way.

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme.....	4								
Skills Development Priority.....	Four								
MQA Strategic Objective.....	To facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework.								
NSDS Goal 4.2.....	To increase access to occupationally-directed programmes.								
Priority Focus.....	The specific interventions that will address this strategic objective include supporting learners to complete learning in MMS disciplines, ensuring learners are exposed to work place experiential learning, artisan development, MMS HEI and TVET bursaries and career guidance.								
NO. REF	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION		
4.1	Maths and Science To support grades 10, 11 and 12 learners to improve their maths and science grades.	Number of learners supported in maths and science.	1 261	1 000	1 037	37	Target Exceeded: This is due to the high demand for extra maths and science programmes especially in the rural areas.		
4.2	Career Guidance To increase awareness of mining and mineral sector related careers.	Number of delegates that attend career guidance workshops.	78 The prior year target was based on career guidance events	1 000	6 041	5 041	Target Exceeded: This is due to an increased effort to ensure participation in rural career guidance activities in order to encourage learners to pursue maths and science in order to enter artisan trades and professional mining careers		
4.3	Adult Education and Training To support learners to complete AET programmes to progressively increase levels of literacy in the sector.	Number of learners that successfully complete AET programmes.	2 556	2 000	2 151	151	Target Exceeded: This is due to close collaboration, monitoring and administration assistance provided to participating organisations.		
4.4	Occupational Health and Safety To support MMS employees to complete training in Occupational Health and Safety (OHS) Representatives programmes.	Number of employees successfully completed OHS Representatives programmes.	10 068	5 000	10 449	5 449	Target Exceeded: This is due to the industry complying with this legislated training. Out of the 10 449 learners achieved 5 029 were funded by the SETA and 5 420 were sector funded.		

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme.....	4								
Skills Development Priority.....	Four								
MQA Strategic Objective.....	To facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework.								
NSDS Goal 4.2.....	To increase access to occupationally-directed programmes.								
Priority Focus.....	The specific interventions that will address this strategic objective include supporting learners to complete learning in MMS disciplines, ensuring learners are exposed to work place experiential learning, artisan development, MMS HEI and TVET bursaries and career guidance.								
NO. REF	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION		
4.5	Foundational Learning Competency Training To support learners to complete the Foundational Learning Competency (FLC) programme to progressively increase levels of literacy in the sector.	Number of learners that successfully complete the FLC programme.	451	250	257	4	Target Exceeded: This is due to overwhelming participation from the industry on this programme.		
4.6	Technical, Vocational Education & Training (TVET) College Support (Lecturers) To support (TVET) College lecturers to be responsive to sector skills needs and priorities.	Number of TVET lecturers placed for work place exposure.	20	20	20	0	Target Met.		
4.7	Technical, Vocational Education & Training College Support (Learners) To Support Technical, Vocational Education & Training (TVET) College learners to be responsive to sector skills needs and priorities.	Number of TVET graduates placed with host employers.	69	250	89	-161	Target Not Met: This is due to the sector not responding well to the call for supporting TVET colleges because the quality of the learners is usually questioned by the industry.		
4.8	Artisan Development (Registrations) To support the registration of learners on artisan programmes.	Number of learners registered on artisan programmes.	2 432	2 200	2 482	282	Target Exceeded: This is due to overwhelming participation from the sector out of the 2 482 learners achieved 2 200 were funded the SETA and 282 were funded by industry.		

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme.....	4								
Skills Development Priority.....	Four								
MQA Strategic Objective.....	To facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework.								
NSDS Goal 4.2.....	To increase access to occupationally-directed programmes.								
Priority Focus.....	The specific interventions that will address this strategic objective include supporting learners to complete learning in MMS disciplines, ensuring learners are exposed to work place experiential learning, artisan development, MMS HEI and TVET bursaries and career guidance.								
No. Ref	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION		
4.9	Artisan Development (Completions) To support learners to successfully complete artisan programmes.	Number of learners that successfully complete artisan programmes.	1 735	1 700	1 703	3	Target Exceeded: This is due to overwhelming participation from the industry.		
4.10	Bursaries To provide bursaries to undergraduates enrolled in MMS related disciplines.	Number of undergraduate bursaries awarded.	787	500	535	35	Target Exceeded: This is due to an overwhelming response from the youth for assistance towards their qualifications.		
4.11	Work Experience (Undergraduates) To assist undergraduates with the P1 and P2 work experience in order to attain their undergraduate qualifications.	Number of P1 and P2 undergraduates assisted with work place experience.	431	600	822	222	Target Exceeded: This is due to more new employers requesting for Practical Training (P1 & P2) learners.		
4.12	Work Experience (Graduates) To facilitate access to internships for graduates in MMS core and related skills.	Number of graduates assisted with work experience opportunities.	600	400	699	299	Target Exceeded: This is due to more new employers requesting to host Graduate Development Programme (GDP) learners.		
4.13	Diamond and Jewellery Manufacturing To facilitate and support skills development activities for diamond and jewellery manufacturing.	Number of learners funded on Diamond and Jewellery programmes.	250	200	252	52	Target Exceeded: This is due to overwhelming participation from the sector on diamond and jewellery beneficiation training.		

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme.....	4						
Skills Development Priority.....	Four						
MQA Strategic Objective.....	To facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework.						
NSDS Goal 4.2.....	To increase access to occupationally-directed programmes.						
Priority Focus.....	The specific interventions that will address this strategic objective include supporting learners to complete learning in MMS disciplines, ensuring learners are exposed to work place experiential learning, artisan development, MMS HEI and TVET bursaries and career guidance.						
No. Ref	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION
4.14	Learnerships To develop learners with disabilities in core learnerships for the MMS.	Numbers of learners with disabilities supported on core MQA learnerships.	2814	3200	3264	64	Target Exceeded: This is due to the “First Come First Serve Strategy” implemented for this programme.
4.15	Literacy Activities To support the annual International Literacy week day that will demonstrate the MQA's commitment to the eradication of illiteracy in SA.	Promote the event to learners as well as general stakeholders in the MMS.	No Target in Prior Year	800	984	184	Target Exceeded: This is due to the successful promotion of the event and overwhelming support provided by mining houses, additional community participation also resulted in the event being oversubscribed.
4.16	Learning Materials Development (Qualifications) To support Standards Setting for TVET and/or HET programmes.	Developed Qualifications and standards in accordance with the Mining and Minerals Qualifications Framework	4	5	29	24	Target Exceeded: This is due to the development of most qualifications being completed ahead of time.

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme.....	4						
Skills Development Priority.....	Four						
MQA Strategic Objective.....	To facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework.						
NSDS Goal 4.2.....	To increase access to occupationally-directed programmes.						
Priority Focus.....	The specific interventions that will address this strategic objective include supporting learners to complete learning in MMS disciplines, ensuring learners are exposed to work place experiential learning, artisan development, MMS HEI and TVET bursaries and career guidance.						
No. Ref	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION
4.17	Learning Materials Development (Learning Packs) To support Standards Setting for TVET and/or HET programmes.	Developed learning packs for TVET and HET programmes to be used by industry providers.	22	100	726	626	Target Exceeded: This is due to the use of a different methodology for the completion of the review of the modular based learning materials for Engineering Artisan Trades.

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme	5						
Skills Development Priority.....	Five						
MQA Strategic Objective.....	To implement the monitoring, evaluation and review of the delivery, capacity and quality of training and development in the sector						
NSDS Goal 4.2.....	To increase access to occupationally-directed programmes						
Priority Focus	The specific interventions that will address this strategic objective include; ensuring that 10% of all learner achievements for all qualifications are externally moderated by the MQA; ensure that facilitator to learner and assessor to learner ratios are acceptable (i.e. no larger than 20:1 for theory and no larger than 5:1 for practical and workplace learning); monitor and evaluate the quality of the delivery and assessment of learning within the MMS; ensure that 100% of accredited providers and approved workplaces maintain the required standards; ensure that the monitoring and evaluation of all programmes are aligned to the QCTO monitoring framework; Indicators and impact measures will be built into all projects and grants and will be monitored and evaluated accordingly; support the sector to develop sufficient training and development capacity and continuously improve the delivery of quality programmes.						
No. Ref	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION
5.1	Monitoring and Evaluation To support the sector to develop sufficient training and development capacity and continuously improve the delivery of quality programmes.	Number of Accredited/ Programme Approved Training Providers that are quality assured and supported.	106% Prior year target was percentile based	130	224	94	Target Exceeded: This is due to a huge demand for on-site approval for work places within the sector.

3.4. THE MQA ANNUAL PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

Programme.....	6								
Skills Development Priority.....	Six								
MQA Strategic Objective.....									
NSDS Goal 4.7.....									
Priority Focus.....									
No. Ref	STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2013-2014	TARGETS 2014-2015	ACTUAL ACHIEVEMENTS 2014-2015	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2014-2015	COMMENTS ON DEVIATION		
6.1	Stakeholder Engagement To support stakeholder engagement.	Stakeholder engagement interventions.	No target in prior year	10	10	0	Target Met.		
6.2	Rural Presence To ensure presence in all Provinces.	Number of functional Regional Offices.	6	3	0	-3	Target Not Met: This is due to financial constraints.		
6.3	Compliance To ensure full compliance.	Ensure full compliance. (reporting, policies, legislation, sustainability).	100%	100%	100%	0	Target Met.		
6.4	Historically Disadvantaged South Africans To increase the number of HDSAs providing services to the MQA.	Numbers of HDSAs (BEE Level 1-4) providing services to the MQA.	93%	40%	91,75%	51.75%	Target Exceeded: This is due to a rigorous update of the preferred suppliers' database and a deliberate effort to attract and promote more BEE companies.		
6.5	Project Monitoring and Evaluation To increase Monitoring and Evaluation of MQA interventions.	Number of MQA Projects monitored.	No target in prior year	5	10	5	Target Exceeded: This is due to a high demand for Monitoring & Evaluation of MQA projects.		



3.5. PERFORMANCE INFORMATION BY OPERATIONAL UNITS

3.5.1. SKILLS DEVELOPMENT AND RESEARCH UNIT

The 2014-15 financial year marks the fourth year of the third phase of the NSDS 3, which brought changes in terms of national skills priorities, as well as a more distinct emphasis on the need for the MQA to measure and report on the qualitative impact of its skills development investments.

The MQA uses research to enhance objective decision making for skills development. This is in line with establishing a credible institutional mechanism for skills planning in the mining and minerals sector.

The Skills Development and Research Unit is responsible for:

- Conducting relevant research into skills development-related issues in the mining and minerals sector as per the annual research agenda;
- Building capacity of skills development facilitators and skills development committee members in order for them to understand the mining and minerals sector skills development programmes;
- Evaluating WSPs-ATRs;
- Supporting organisations to conduct a skills audit;
- Collaborating with higher education institutions regarding skills development research in the sector;
- Supporting post-graduate students who undertake studies in mining and minerals sector-related research topics.

During the year under review, the MQA made tremendous strides to meet the targets as outlined in the Strategic Plan, Annual Performance Plan and the Service Level Agreement with the DHET.

Our achievements are reflective of our performance against targets:

- Over 1 682 entities registered and paying levies.
- Over 327 Skills Development Facilitators registered.
- 24 Standard Industry Classification Codes representing the mining and minerals sector were developed.
- 573 entities submitted WSPs-ATRs.
- 560 WSPs-ATRs approved.
- R196 553 144 levies paid back to our stakeholders.
- Sector Skills Plan updated, approved and submitted to the DHET.
- Commissioned in excess of 10 areas of research.
- 3 MoUs signed with various universities.

Research and Sector Skills Plan

Through our depth of research and engagement with stakeholders, we remain well placed to understand the national and local context of the sector, recognise the skills challenges presented and deliver solutions as enshrined in the Sector Skills Plan. During the year under review, the MQA invested over R4 million in a variety of research projects in both quantitative and qualitative analysis in order to implement the research agenda.

The Sector Skills Plan was updated, approved and submitted to the Department of Higher Education and Training. Our research activities have driven our Sector Skills Planning Strategy as well as the strategic planning process. Accordingly, the MQA repositioned itself as a research active organisation to deliver quality skills development services to stakeholders in the year under review. The list of research projects implemented during the 2014–2015 reporting period is shown in the table on the previous page.





PROJECT TITLE	RESEARCH OBJECTIVE
Sector Skills Plan, Update 2015–2020	To update the Sector Skills Plan annually as per the Skills Development Act of 1998 and in the context of the National Skills Development Strategy.
Occupational Profiling and Skills Audit	To understand the nature of skills that exist and are required within the mining and minerals sector. The skills audit research is to determine the current level of employees' skills in relation to their occupation as well as their career path and fit.
Mineral beneficiation	The purpose of the project is to understand the skills requirements for Mineral Beneficiation through Jewellery Manufacturing.
Impact assessment studies	The purpose of the study is to measure the impact achieved through the following programmes undertaken by the mining and minerals sector: <ol style="list-style-type: none"> 1. AET 2. Learnerships 3. Recognition of Prior Learning (RPL) 4. OHS short skills programme.
WSP-ATR analysis of 2014 grants	The objective of this project is to develop a profile of the mining and minerals sector in terms of the geographic location, size, and composition of organisations that submitted WSPs-ATRs to the MQA for the 2014-2015 financial year. The report shall profile the mining and minerals workforce as well as the training priorities identified in the WSP-ATR submissions in 2014–2015.
Year 14 Trends Analysis	The objective of the study is to use the information contained in the WSP-ATR submissions to provide updated trends and analysis of the sector in terms of geographic location, size and composition of mining and minerals companies. This is to also capture the trends in the training offered over a determined period of WSP-ATR submissions.
Green Skills Case Study	To form a partnership with Rhodes University to undertake research into probing the 'green skills' needs within the entire mining value chain.
SLP Case Study	To form a partnership with the University of the Witwatersrand (Wits) to undertake a research study that will look at the efficacy of the skills dimension of Social and Labour Plans that mining companies need to compile and implement as a requirement of the Mineral Resources and Petroleum Development Act of 2002. The research will look into the training provided to retrenched mine workers in the context of the Social and Labour Plans.
Partnership with 3 HEI institutions to support post graduate students' research within the mining and minerals sector	It will be offered to post graduate students interested in presenting their research at a conference or publish it in an accredited peer reviewed mining journal.

3.5.1.1 WSP-ATR SUBMISSION AND WORKSHOPS

The MQA is committed to establishing a credible mechanism for skills planning in the mining and minerals sector. During the year under review, the process of evaluating mandatory grant applications (submitted WSPs-ATRs) began after the submission cut-off date in preparation for quarter 1 disbursement. There was a notable increase of **573** against the planned target of 550. Albeit the shrinking pot of levies coming from fewer entities enormous strides were made to improve operational efficiency. The MQA is proud to report that objectives in skills planning were, to a large extent, achieved if not exceeded. Mandatory Grants disbursement totalled R196 553 144, which provides evidence of the progressive commitment of the MQA to facilitate education and training in the sector.

Graphically, the tables below illustrate the number of registered levy paying entities, Workplace Skills Plans and Annual Training Report in 2014-2015 financial year.

DELIVERABLE	STATUS
WSP-ATR target as per Annual Performance Plan (APP)	500
WSP-ATR submissions	573
WSP-ATR approved	560

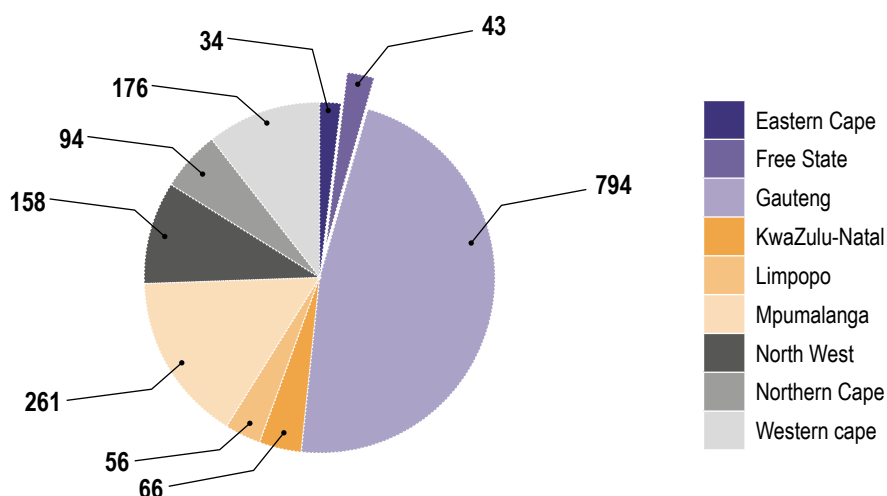


Figure 2: Levy paying per province

Levy paying companies and WSP-ATR submissions 2014-2015

PROVINCE	REGISTERED LEVY PAYING ENTITIES	2014 WSP-ATR SUBMISSIONS (PROVINCIAL BREAKDOWN)
Eastern Cape	34	12
Free State	43	12
Gauteng	794	269
KwaZulu-Natal	66	28
Limpopo	56	29
Mpumalanga	261	91
North West	158	62
Northern Cape	94	28
Western Cape	176	42
Total	1 682	573

3.5.1.2 SKILLS DEVELOPMENT FACILITATORS AND COMMITTEES

The MQA is committed to building a culture of service excellence to its stakeholders. Skills Development Facilitators and Skills Development Committees contribute to the improvement of sector skills as process engineers

by ensuring value for money on skills investments and mandatory grant applications. Therefore, building the capacity of Skills Development Facilitators and Skills Development Committee members remains a priority. The table below reflects programmes and targets which the MQA committed itself to achieving during the period under review.

Skills capacity building

PROGRAMME DESCRIPTION	TARGET	QUALITATIVE ACHIEVEMENT
Skills Development Facilitator and Skills Development Committee capacity building and support	550	1 383 (252% achievement)





3.5.1.3 PARTNERSHIPS

Training and skills development are inextricably intertwined with research. The MQA, as a research-driven organisation, collaborated with higher education institutions to enhance to skills development research in the sector. The partnership will produce relevant research outputs which will contribute to skills development related issues in the mining and minerals sector as per the annual research agenda. During the year under review, we have collaborated with the following higher education institutions:

- Wits University
- Rhodes University
- Walter Sisulu University

3.5.1.4 STAFF DEVELOPMENT

The need arose for the MQA to increase capacity in the Skills Development and Research Unit, particularly on research, and it has been hard at work in this regard. We have appointed a Research Specialist and Research Administrator to support the unit.

3.5.2 STANDARDS GENERATING BODY

3.5.2.1 STANDARDS SETTING

The MQA has been designated as a Qualifications Development Partner (QDP) to the Quality Council for Trades and Occupations to develop qualifications. This process is performed collaboratively, or the MQA does the development on its own.

In the 2014-2015 financial year the following occupationally-based qualifications' were recorded:

NQF Level 5 qualifications developed and approved

REGISTERED ON THE NQF (5)	SUBMITTED TO SAQA FOR REGISTRATION (5)	QUALIFICATIONS DEVELOPED, APPROVED BY THE SGB COMMITTEE AND SUBMITTED TO THE QCTO (28)
<ul style="list-style-type: none"> • Mechanical fitter • Mining technician (strata control practitioner underground) • Mining technician (mine ventilation officer) • Welder • Boiler-maker 	<ul style="list-style-type: none"> • Fitter and turner • Goldsmith • Metal machinist • Automotive electrician 	<ul style="list-style-type: none"> • Rock drill operator • Driller • Directional driller • Exploration driller • Onsetter • WED • Small winder operator • Scraper winch operator • Hydraulic rock breaker operator • Loader operator • Skid steer loader operator • Dragline operator • Dump truck operator • Geological technician surface mining • Geological technician underground mining • Geological technician marine mining • Mobile mining equipment operator • Roofbolter • Coal cutter • Continuous miner • Drill rig operator • Hauler operator • Loader operator • Mineral beneficiation: Process controller • Mineral beneficiation: Materials handler • Mineral beneficiation: Materials preparer • Mineral beneficiation: Smelting • Mineral beneficiation: Calcining



The challenges that were experienced with the qualifications development process included the QCTO changing their template during the course of the year, which then required that the Qualifications Development Facilitators re-format the already developed qualifications. These contributed to delays in processing of qualifications.

3.5.2.2. GOVERNMENT CERTIFICATE OF COMPETENCY ANALYSIS

The report was presented to the Standards Generating Committee for comments and then to the MQA Board. The research report was approved by the MQA Board. At this stage there are plans that are being put in place to ensure that the recommendations are implemented.

Learning Materials Development

A total of **603** learning materials for South African Qualifications Authority registered qualifications and **25** QCTO learning material packs were developed and/or reviewed. At this stage, the total learning packs developed are **1 730**.

Total Number of Learners that Successfully Completed Trade Tests

TRADE	ENTERED / REGISTERED	SUCCESSFULLY COMPLETED TRADE TESTS
Diesel Mechanic	347	222
Electrician	617	531
Fitting (including Machining)	489	367
Fitting and Turning	94	48
Instrumentation Mechanician	111	95
Millwright	142	106
Plater/Boilermaker	242	113
Plater/Welder	174	198
Rigger Ropesman	82	62
Auto Electrician	14	-
Autotronics	01	-
Electro Mechanics	34	22
Goldsmith	46	-
Diamond Cutters	54	-
Artisan aide learners that completed skills programmes and/or qualifications	-	271
Artisan completions through RPL	-	121

Mine Community Development Project

At the inception of the project, the MQA secured agreements with mining houses to roll out the plan to offer support for skills to unemployed youth in mine communities particularly in rural areas. By March 2015, 1 195 learners had completed various programmes in mining portable skills, technical skills, engineering skills, infrastructure development (bricklaying, house wiring, plumbing) as well as entrepreneurial skills, in areas around Limpopo, Mpumalanga (Burgersfort), Rustenburg (Marikana), Klerksdorp and Carltonville.

Lessons Learnt

- Providing capacity to unemployed youth to provide career guidance information in communities thus becoming skilled entrepreneurs and technically skilled people.
- Partnerships with mining houses ensured some of the learners being employed by the organisation.
- Other programmes included the learner assistance programme that assists learners to register their small businesses.





Challenges

- Of the learners trained through the project, only few of the learners were employed; therefore self employment is key.
- Few learners with relevant entry requirements for technical and engineering programmes were in possession of maths and science. Most programmes must include maths, science and AET programmes.

Artisan Development

The Artisan Development unit handled six different artisan projects in the financial year namely:

- | | |
|-------------|---|
| 1. MQA-A011 | NSF: 2 Artisan Development; |
| 2. MQA-A012 | UIF:1 Learnerships Artisan; |
| 3. MQA-A013 | MQA Artisan Development
Employed and Unemployed; |
| 4. MQA-A014 | RPL/Artisan Aides-Employed; |
| 5. MQA-A018 | Mpumalanga TVET Artisan. |

The registrations and completions per trade for the year are shown in the table and graph on the following page.

Artisan development processes are well implemented within the sector, although there needs to be continuous improvements in the areas of RPL. In addition, the sector is required to create larger pipelines in the development of artisan aides; there has, however, been slight increases from year to year.

3.5.3 LEARNING PROGRAMMES

The core function of the Learning Programmes (LP) Unit is to facilitate and support skills delivery and ensure that placement and registration of learners takes place. The LP Unit assists the MQA levy-paying companies by allocating and disbursing discretionary grants, as well as managing the following key learning programmes projects:

- Non-artisan learnerships
- Non-artisan learnerships for people with disabilities
- Non-artisan learnerships (RPL)
- Non-artisan learnerships (Diamond and Jewellery)
- Adult Education and Training (AET)
- Foundational Learning Competency (FLC)
- Occupational Health and Safety Representative Development (OHS)

This unit performs additional functions such as monthly disbursement of grants for the learning programmes, assisting entities and accredited providers by training them on the MQA Management Information System (MQA-I-Share) and assisting with queries relating to learning programmes including cancellations, transfers and changes on a learning programme agreement.



WSP-ATR submissions



Project Targets and Achievements

PROJECT NAME	ANNUAL TARGET	Q1 TARGET	Q1 ACTUAL	Q2 TARGET	Q2 ACTUAL	Q3 TARGET	Q3 ACTUAL	Q4 TARGET	Q4 ACTUAL	TOTAL ANNUAL ACTUALS
Core artisan learnerships	3 000	600	558	700	780	1 200	557	500	1 187	3 082
People with disabilities	200	200	70	0	71	0	0	0	71	212
Non-artisan learnerships (RPL)	100	100	0	0	10	0	8	0	99	117 43 completed
Diamond and Jewellery	200	200	18	0	179	0	30	0	25	252
AET Levels and AET GETC NQF	2 000	250	131	350	300	500	203	900	1 546	2 180
Foundational Learning Competency (FLC)	250	30	7	30	73	65	100	125	74	254
Occupational Health and Safety Representative Development (OHS)	5 000	1 000	2 117	1 000	2 222	1 000	2 958	2 000	3 152	10 449

Highlights for the year

3.5.3.1 NON-ARTISAN LEARNERSHIPS

The objective is to enrol learners in core non-artisan learnerships within the mining and minerals sector.

- English
- Mathematics
- Engineering Drawing
- Engineering Science
- Technology

- N1 – N2 Engineering
- N1 – N2 Coal Mining

3.5.3.2 ADULT EDUCATION AND TRAINING

The MQA took a leading role in making a decision that Adult Education and Training (AET) must result in a better future and must be linked to a career (Occupational AET) to ensure success. An AET project task team identified challenges and proposed solutions. A model was designed as a way forward for AET career development and functional literacy was prioritised to ensure AET training had an impact after completion. The following route was implemented and is due to be offered to all participating learners at the host employers for the 2015/2016 financial year:

- Core subjects offered at Level 1 – 3 (i.e. English & Numeracy)
- National Certificate Orientation (NCOR) or AET Level 4

The diagram of the occupational AET Model is on the following page.

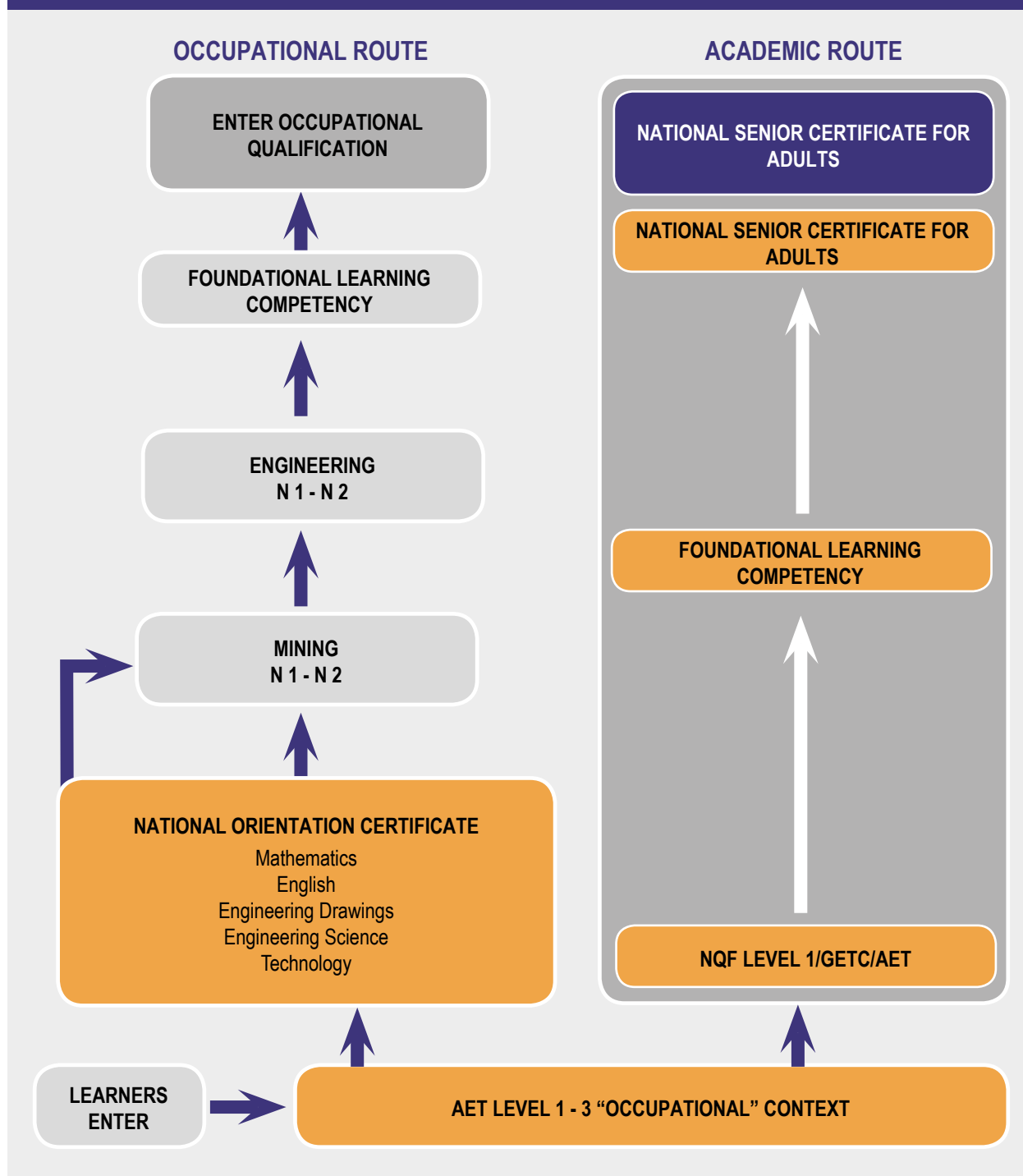
The approval is based on this model being changed based on the needs from the host employer based on the nature of work in the mining and minerals sector

3.5.3.3 FOUNDATIONAL LEARNING COMPETENCY PROGRAMME

The MQA implemented the FLC programme and achieved impressive results. The annual set target of 250 was exceeded, with learners achieving in both learning areas, namely, Foundational Communication and Foundational Maths Literacy.



OCCUPATIONAL ADULT EDUCATION AND TRAINING PATHWAY





Results of the Foundational Learning Competency Programme

NO.	NAME OF COMPANY	DATE	PASSED FLCENG	PASSED FLMATH	PASSED BOTH FLCENG & FLMATH
1	Zurel Bros SA	15/05/2014	9	5	4
2	AngloGold Ashanti	18/06/2014	10	0	0
3	Ergo Mining	09/06/2014	6	2	1
4	Samancor Eastern Chrome Mine	20/06/2014	10	2	1
6	Anglo American Platinum	09/06/2014	0	1	1
Q1			35	10	7

1	Samancor Eastern Chrome Mine	17/07/2014	8	11	9
2	Venetia Mine	16/07/2014	12	12	12
3	Zurel Bros SA	17/07/2014	20	0	0
4	AngloGold Ashanti	04/09/2014	17	0	0
5	(Lesedi AET Centre)	04/09/2014	3	2	2
6	AngloGold Ashanti (Kopanong AET Centre Vaal River)	04/09/2014	11	2	0
7	Zurel Bros SA	04/09/2014	35	37	35
8	Samancor Eastern Chrome Mine	04/09/2014	27	15	15
Q2			133	79	73

1	Exxaro Coal (Pty) Ltd	13/10/2014	29	17	25
2	Lonmin	18/10/2014	7	3	2
3	AngloGold Ashanti Tau Tona	09/10/2014	12	0	0
4	Zurel Bros SA	13/10/2014	17	0	0
5	Samancor Eastern Chrome Mine	12/11/2014	9	16	7
6	Zurel Bros SA	13/11/2014	19	25	19
7	AngloGold Ashanti Tau Tona	19/12/2014	1	8	1
8	AngloGold Ashanti Vaal River	18/12/2014	0	7	0
9	South Deep Mine	18/12/2014	5	7	5
10	Samancor Chrome Mine - Mooiwooi	18/12/2014	4	2	1
11	Lonmin	05/12/2014	0	3	0
12	Cullinan Development Centre	18/11/2015	9	5	5
13	De Beers Consolidated Mines	21/10/2015	12	12	12
14	Vanantia Mine	18/12/2014	19	19	18
15	Anglo American Platinum Development	05/12/2014	5	4	1
16	Impala Platinum	05/12/2014	8	4	4
17	Madiba Fountains AET Centre Anglo	05/12/2014	4	0	0
Q3			160	132	100





Results of the Foundational Learning Competency Programme

NO.	NAME OF COMPANY	DATE	PASSED FLCENG	PASSED FLMATH	PASSED BOTH FLCENG & FLMATH
1	Palabora Copper (Pty) Ltd	07/01/2015	12	4	3
2	South Deep Mine	23/02/2015	1	0	0
3	Glencore Group Training Centre	23/02/2015	2	2	1
4	Exxaro Coal (Pty) Ltd	02/03/2015	34	22	22
5	Zurel Bros SA	25/03/2015	20	6	2
6	Exxaro Coal (Pty) Ltd	25/03/2015	28	28	24
7	Harmony Bambanani Adult Centre	25/03/2015	7	2	2
8	Venetia Mine	25/03/2015	20	20	20
Q4			124	84	74

The MQA continues to take a leading role in meeting the industry's skills needs and providing learning programmes that are occupationally-directed, market-led and fit for purpose. During the year under review, our engagement with industry leaders and stakeholders placed us in a position to understand the national and provincial landscapes, recognise skills challenges and deliver on our commitment to the NSDS mandate. Attracting learners into the industry and ensuring they possess the right skills and knowledge remains our key priority. The Learning Programmes Unit managed to achieve the target set for the unit.

The approved Discretionary Projects as implemented by the Learning programmes Unit are aimed at addressing ongoing skills needs to ensure the sector's preparedness to respond to unskilled workers, unemployed youth, women, people with disabilities and rural development.

3.5.4. PROJECTS

The Projects Unit co-ordinated eight strategic projects during the year under review. These projects are:

- Higher Education Institutions (HEI) Lecturer Support
- Bursary Support
- Work Experience
- Internships Support
- Technical Vocational Education and Training (TVET) Colleges Lecturer Support
- TVET Colleges Learner Support - National Certificate Vocational (NCV) Level 4
- Maths and Science Support to grade 10,11 and 12 learners
- Workplace Coaches Development

3.5.4.1 LECTURER SUPPORT

This programme focused on assisting the mining and minerals faculties of nine universities to achieve employment equity and transformation by supporting the development of historically disadvantaged lecturers. A total of 27 lecturers were supported in the Mining, Geology and Mine Survey Departments of the participating universities during the year under review.

The following universities participated:

UNIVERSITY	NO. OF LECTURERS
University of South Africa	1
University of Witwatersrand	7
University of Johannesburg	5
University of Venda	2
University of Fort Hare	2
Rhodes University	3
University of Pretoria	3
University of Limpopo	2
University of Cape Town	2

3.5.4.2 BURSARY SUPPORT PROJECT

The project was aimed at supporting new and continuing students who are pursuing careers within the mining and minerals sector. This project also supported the strategic Mining Charter and the NSDS 3. This project, which is funded through the MQA discretionary budget, supported bursars from universities, universities of technology and TVET colleges. The annual target of 500 was exceeded as 535 students were supported.

The challenge of attracting students from the rural areas still remains, but the MQA collaborated with universities and universities of technology to improve the intake of learners.



The intake of bursaries, internships and work experience presented challenges during 2014-2015 but measures are in place for improvement in the new financial year.

3.5.4.3 WORK EXPERIENCE

The MQA supports learners to obtain their university qualifications by enabling them to gain the required practical work experience. During the reporting year, a total number of 822 out of a set annual target of 600 students were placed within mining companies for workplace experiential training. The MQA supported students to obtain their university and university of technology qualifications by enabling them to gain the practical work experience, which is a required component of this newly regulated training.

3.5.4.4 TVET LECTURER SUPPORT PROJECT

The focus of this project was to support TVET lecturers with workplace exposure within host mining companies. The aim was to train and build capacity of the TVET lecturers within the mining and minerals sector. The MQA managed to place 20 TVET lecturers against a set annual target of 20.

3.5.4.5 TVET NCV LEVEL 4 LEARNERS SUPPORT PROJECT

The MQA supported TVET NCV level 4 learners to obtain the Artisan Qualification by placing them with the host employers. The NCV curriculum does include extensive practical components, but learners often exit these programmes without the necessary practical skills. The project was a strategic intervention to equip such graduates with practical skills. Out of a target of 250 graduates, 89 were supported.

3.5.4.6 INTERNSHIPS

The project provides structured work experience for young unemployed graduates from higher education institutions to complement the scarce and/or critical skills qualifications required by the mining and minerals sector. During the reporting period, 699 graduates out of a target of 400 graduates were placed at different mining companies to gain work experience.

3.5.4.7 MATHS AND SCIENCE

The project targeted historically disadvantaged learners from rural communities in mining related areas and accommodated a total of 1 037 learners from eight provinces during the year under review. The MQA managed to assist 1 050 learners in maths and science from grade 10, 11 and 12 in historically disadvantaged areas in the eight provinces that were selected.

3.5.4.8 WORKPLACE COACH DEVELOPMENT

The objective of the project is to facilitate and support skills development activities within the mining and minerals sector. The aim was to capacitate coaches at the workplaces so that they could in turn support the graduates seeking workplace experience. The MQA met the target of placing 50 coaches with different employers.

3.5.5. EDUCATION, TRAINING AND QUALITY ASSURANCE (ETQA)

The ETQA, the final stage of the core MQA value chain, is responsible for enhancing the monitoring, evaluation and review of the delivery capacity and quality of skills development in the sector. In order to achieve this, the ETQA is required to perform the following activities:

- Accredite and approve training providers for specific skills programmes and qualifications.
- Veto quality assurance relating to learner achievements endorsed by registered assessors in accordance with required standards and criteria.
- Improve quality and relevance of education and training in the sector.
- Support training provider development.
- Establish and maintain a database for the recording of learner achievements.
- Provide for the certification of learners and accredited providers.
- Register assessors and moderators for specific unit standards, skills programmes and qualifications.
- Certify learners for skills programmes or qualifications achieved.



The unit was entrusted with the functions of a Quality Assessment Partner through a Service Level Agreement with the QCTO. There were at least nine qualifications that were approved for assessment development within the mining and minerals sector.

Below is a report on the activities conducted in the 2014/15 financial year.

3.5.5.1 ACCREDITATION AND PROGRAMME APPROVAL

In order for this function to be conducted collaboration is required between all stakeholders through an appointed and delegated audit team that includes subject matter experts that function as an ETQA Sub Committee endorsed by the standing ETQA Committee.

An approved recruitment strategy for audit team members including subject matter experts is in place which specifies criteria, roles and responsibilities. Continuous capacitating for the new Subject Matter Expert through various interventions has been conducted; this has reduced the number of direct payable subject matter experts conducting audits.

A total of 205 providers were visited for accreditation, programme approval, sites/scope extensions, blitz follow ups, monitoring audits and management engagements. Below is a breakdown of the audits conducted for the financial year:

- 100 providers were approved for scope/site extensions;
- 9 providers received full accreditation;
- 41 providers retained full accreditation;
- 15 providers received provisional accreditation;
- 10 providers received programme approval status at the first attempt;
- 10 providers retained programme approval status;
- 5 providers were audited on their monitoring processes;
- 13 Site visits were conducted for the providers; and
- Follow ups sessions were conducted for 15 providers.

Providers name change: 6

1. De Beers Consolidated Mines Finsch Mine to Finsch Diamonds Mine (Pty) Ltd.
2. Ergo Mining (Pty) Ltd to Ergo Business Development Academy.
3. TR Consultants to TR Safety Consultants CC.
4. Metals Mining Training Intervention to Minerals Mining Training Institute (Pty) Ltd.
5. Komatsu Southern Africa (Pty) Ltd to Komatsu South Africa (Pty) Ltd.
6. Tisand (Pty) Ltd t/a Richards Bay (320) to Richards Bay Mining (Pty) Ltd.

The unit continues with the process of seeking a sufficient number of subject matter experts, as well as constituency representatives, to assist with quality assurance audits. Additional experts are still required in the following specialisation areas and thus applications are always welcome by the unit:

- Underground Coal Mining;
- Mining Technical Support;
- Strata Control;
- Mineral Processing;
- Surface Mining; and
- Analytical Services;

3.5.5.2 ASSESSOR AND MODERATOR REGISTRATION

A total of 427 assessors and 192 moderators were registered. A further 205 assessors were granted scope extension, and 159 assessors were moved from one provider to another on various MQA qualifications, skills programmes and unit standards. During the period under review, the ETQA unit scanned all applications and supporting documentation for filing on MQA-I-Share. The ETQA unit continuously provides advice and support to providers regarding assessor and moderator registration requirements. This has increased the efficiency of the registration process as complete applications are now easily retrievable. In addition, follow up sessions were conducted with providers whose applications were incomplete.



3.5.5.3 LEARNER CERTIFICATION

Learner achievement numbers are provided in the table below:

Learner Achievement Numbers

TYPES	ACHIEVED (April 2014 to March 2015)
Skills Programmes Statement of Attainments	31 038
The MQA Level 1 Qualification	390
Non-Artisan Learnership Qualifications	2 853
*Artisan Qualifications certificates issued	1 293
*Artisan Qualifications certificates requested	406

* Artisan Trades certificates are issued by the QCTO through the National Artisan Moderation Body

- 2 261 learner certificates were also verified.
- Requests for 732 re-issues of learner certificates were handled.
- 63 Provider accreditation certificates have been issued.

3.5.5.4 OBSERVATIONS REGARDING CAPACITY FOR SECTORAL PROVISIONING

- There was an increase in the number of providers that migrated to the sector which also increased workplace approvals through accreditation process.
- Qualifications in Mineral Processing and Metals Production seems to be attracting a large number of learners on associated skills programmes, however there seems to be an insufficient number of providers, assessors and moderators and more were appointed and registered.
- Improvements in the quality of provisioning and competency declaration through the panel assessment board were noticed.
- For the Jewellery Manufacturing and Diamond Processing fields the following seems to be the case:
 - Sufficient providers, assessors and moderators, the MQA's plan to improve on and upskill assessors and facilitators for continuous improvements in this field remain relevant.
 - Learners that have achieved the Jewellery Manufacturing qualification may be targeted for moving up the learning path.
 - Learner tracer studies should be conducted. There is a need to support learners in obtaining their goldsmith competence.
- For the Occupational Health and Safety field, there is an increase in the number of providers, assessors and moderators seeking approval.
- For the Engineering Artisan field increased learner achievements are required to meet the notional imperatives.

- Continued improvements are required in the Quality Assurance Process, in focusing learners' achievements that are aligned to quality and needs within the workplace.

3.5.5.5 ADJUST CURRENT QUALITY ASSURANCE PROCESSES AND STRUCTURES TO ALIGN WITH EMERGING GOOD PRACTICE REQUIREMENTS OF THE QCTO

- The MQA as an Assessment Quality Partner has processes to ensure the alignment of sector related qualifications with the QCTO requirements.
- There has been continuous interactions and participation with the QCTO in all scheduled AQP forums, to enhance the implementation of the four key functional roles (accreditation process for skills development provider, assessment centre, certification process, AQP criteria and guidelines).
During this financial year, at least nine qualifications were accepted, submitted and confirmed for External Integrated Summative Assessment recognition.
- All occupational artisan trades have been delegated to the National Artisan Moderation Body (NAMB) process for trade testing, and certification is in transition for implementation, hence it has additional functions for AQP yet there is limited resources.
- There are sectoral concerns regarding the completed artisan trade qualifications with the current certification process having a negative impact for both learners and employers within the mining and minerals sector on certification turnaround time.

3.5.5.6 EXTERNAL ASSESSMENT TOOL DEVELOPMENT

The ETQA continued with the development of external assessment tools for QCTO registered qualifications in terms of the QCTO policies and procedures. However, the development of a second external assessment tool for the Mine Ventilations Qualification has commenced while the one for Mine Rescue Services has been completed.

3.5.5.7 MQA UPLOAD OF DATA ON THE NATIONAL LEARNERS RECORD DATABASE

The MQA uploaded its data on the National Learners' Record Database for the financial year. Quality requirements were met and a green status was confirmed. A final upload was completed with amendments. The evaluation from SAQA is still pending regarding the status and quality of the information that has been uploaded.





3.6. STAKEHOLDER RELATIONS

3.6.1. REGIONAL EXPANSION OVERVIEW

3.6.1.1 ESTABLISHMENT OF REGIONAL OFFICES

The six MQA regional offices were established and fully functional. Each office was resourced with a Regional Manager who manages the overall operations in the region, and a Stakeholder Relations Officer who provides administrative support and coordinates the effective functioning of the regional office.

MQA Regional Offices/Locations

PROVINCE	TVET COLLEGE	LOCATIONS
1. Mpumalanga	Nkangala	Emalahleni
2. North West	Orbit College	Mogwase
3. Free State	Goldfields College	Thabong
4. Eastern Cape	King Hintsa	Butterworth
5. Limpopo	Sekhukhune	Burgersfort
6. Northern Cape	NC Rural TVET College	Kathu

3.6.1.2 OPERATIONS AT REGIONAL OFFICES

Environmental scans

The regional offices conducted environmental scans to determine, the challenges and the dynamic needs of each province. The findings indicated the weaknesses and strengths, opportunities and threats of each region. The focus of the research conducted was not only on the sector but this assisted in identifying potential projects and areas of intervention by the MQA and other partners in each region. The biggest 'quick wins' by the MQA were the projects identified and funded through the programme Mine Community Development Programme. This programme provides re-skilling opportunity to the retrenchees.

3.6.1.3 TVET SUPPORT

The provinces played a leading role in encouraging partnerships and collaboration between employers and TVET colleges. Through these collaborations, TVET colleges benefitted from:

- Review and plans to access of modern training equipment
- Curriculum review, development and upgrade
- Lecturer placement programme
- Placement of learners in industry for exposure
- More learners being absorbed by the sector for experiential learning.
- Two of the six TVET colleges in Limpopo, Mopani and Lephhalale attained their accreditation status.
- Together with the ETQA unit, the regions facilitated the accreditation of the programme at the Nkangala Gert Sibande and capricorn TVET colleges.

3.6.1.4 MQA OPERATIONS SUPPORT

The regional offices supported the MQA Operations Department to achieve its deliverables as per the MQA Strategic Plan and the Annual Performance Plan. Support was also provided on career guidance activities.



SECTION 4

CORPORATE SERVICES

SECTION 4: CORPORATE SERVICES

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“The Corporate Services Department provides support services to the MQA”



OVERVIEW

The Corporate Services Department provides support services to the MQA which include human resources, facilities and office management, customer service and communication as well as legal services and corporate governance. Through these functions, support is provided to the MQA board, management, employees and stakeholders in the execution of its legislative mandate as well as to ensure engagement with all stakeholders.

4.1. LEGAL SERVICES

The Legal Services Unit's key responsibility is to focus on strategic support to the MQA on matters pertaining to legal, compliance and governance as summarised below:

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

The Legal Services Unit addressed numerous queries, which ranged from drafting agreements legal opinions and assisting in fraud investigations. The unit shall continue to provide its role in a professional manner, in particular concentrating on legal risk prevention and mitigation through the hosting of internal training workshops and the development of an effective legal and governance framework. During the year under review, the legal and contract process flows were amended and communicated to the employees. The contract tracking schedule was introduced for the first time to track all contracts and obligations of service providers and the MQA. On a quarterly basis the unit produces the contingent liabilities report which is tabled in the Audit and Risk Committee.

4.1.1. CONTRACT MANAGEMENT

The unit handles all contracts on behalf of the MQA. The unit also drafts memorandums of understanding (MoU) on behalf of the MQA. These MoUs are generally agreements which do not contain any financial obligations on the part of the MQA and the other party and are sometimes used as the first step in signing an agreement with financial obligations.

The use of MoUs is beneficial for forming and formalising relationships with stakeholders. The MQA had seven MoUs across all units, with the Stakeholder Relations Unit having six MoUs with TVET colleges.

The number of agreements of each unit and values thereof are represented in the table below.

MQA SERVICE LEVEL AGREEMENTS FOR THE 2014-2015 FINANCIAL YEAR

UNIT	NUMBER OF SLAS	VALUE
Skills Development and Research	8	R4 530 498
Learning Programmes	2	R15 532 153
Projects	14	R53 001 375
Standard Generating Body	18	R157 125 167
Stakeholder Relations	13	R44 654 233
Business Systems	9	R159 472*
Finance and Supply Chain Management	2	R2 850*
Monitoring and Evaluation	2	R747 498
Corporate Services	2	R2 900*
Facilities and Office Management	14	R6 097 681*
Customer Services and Communication	7	R272 557*
Human Resources	2	R916 976 *
TOTAL	93	R 283 043 360

* Denotes that this amount contains a variable rate such as "per month" and this number is not a true reflection of the amount of the agreement.



4.2. CUSTOMER SERVICE AND COMMUNICATION

The Customer Service and Communication Unit successfully positioned the MQA's brand through an integrated communication strategy and the operational plan. The key responsibilities of the unit are to develop and maintain the MQA brand and reputation. This is achieved by executing various marketing and communication interventions, where key messages are disseminated to the identified target audiences. The feedback received from the stakeholders contributed to closing the communication gap between the organisation and its stakeholders, improved performance and service delivery which resulted in a beneficial relationship. The communication strategy is aligned to the MQA strategic objectives, legislative mandate and the NSDS 3.

4.2.1 PROMOTION OF THE MQA'S BRAND

The information about the MQA's activities is disseminated through various channels and tools. These included printed, electronic and face-to-face platforms. Printed media included the corporate events, brochures, and a range of targeted communiqués, the quarterly stakeholder newsletter, the annual report, the career guidance brochure and a range of promotional material including banners. This was further supported by newspaper and magazine articles and advertisements published in the media. Electronic media included company and career guidance DVDs, the website and electronic communication such as email.

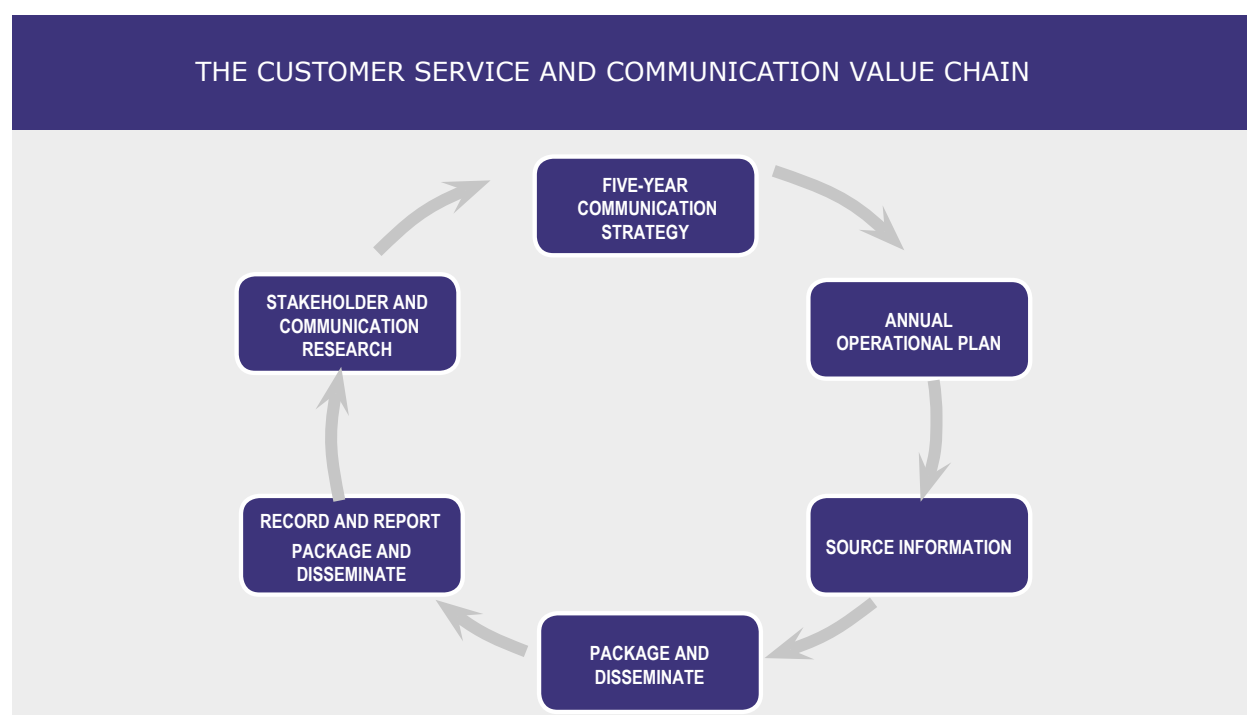
A number of face-to-face stakeholder events were hosted throughout the financial year. These included the stakeholder engagement forums, information sessions, exhibitions, career guidance, conferences and workshops.

4.2.1.1 ANNUAL REPORT SUBMISSION

The 2013–2014 Annual Report was produced timeously in compliance with the Auditor-General requirements. It was tabled in Parliament by the Minister of Higher Education and Training, Dr Blade Nzimande in November 2014.

4.2.1.2 CAREER GUIDANCE MATERIALS

The demand for the MQA career guidance brochure and DVD increased as a result of the accelerated distribution of the material at various career expos around the country. The career guidance material assists learners to source information on the various career options available in the sector and to further encourage learners to pursue technical careers. A number of scheduled and ad hoc career guidance sessions were held throughout the year to encourage learners at school and work seekers that have passed mathematics with a bachelor pass to pursue mining related careers. Learners in both urban and rural communities as well as community leaders are exposed to mining related opportunities.





4.2.1.3 MEDIA AND ADVERTISING

A number of articles were published and about 40 advertisements were placed in various national newspapers and magazines. The newspapers and magazines where the MQA promoted its services included amongst others the *Sunday Times*; Independent Group of Newspapers including *The Star*, *Pretoria News*, *Diamond Field Advisers*, *Mercury*, *Cape Times*, *Daily News* and *Cape Argus*; Pan African Parliament's *One Africa*, *One Voice*; *Post Matric*; and the *Mail and Guardian* newspaper. These publications assist the MQA to enhance its communication efforts. The key aim of the MQA during the year has been to inform stakeholders and the public about skills development interventions in the sector.

4.2.2 EVENT MANAGEMENT

The Customer Service and Communication Unit scheduled and implemented the events below to ensure stakeholder engagement and information sharing.

4.2.2.1 EXHIBITIONS, CAREER EXPOS AND INFORMATION SESSIONS

DATE	NAME OF EVENT	PROVINCE	MUNICIPALITY	SPECIFY AREA	URBAN / RURAL
QUARTER 1					
10 April 2014	Government Exhibition	Gauteng	City of Johannesburg	Diepkloof	Urban
23 April 2014	Out of School Symposium	Kwazulu-Natal	Umfolozu	Kwa Mbonambi Town Hall	Rural
23 April 2014	Western Cape Career Expo	Western Cape	City Of Cape Town	Mitchells Plane	Urban
30 April 2014	MQA Limpopo Regional Office Launch	Limpopo	Sekhukhune Municipality	Praktiseer	Rural
12-16 May 2014	Career Expo	Northern Cape	Kathu	Kathu High School	Rural
13 May 2014	Career Expo	Eastern Cape	Grahamstown Indoor Sports Centre	Grahamstown	Urban
15 May 2014	AngloGold Ashanti Career Expo	North West	Merafong Local City Municipality	Carletonville Sports Complex	Urban
22 May 2014	AngloGold Ashanti Career Expo	North West	Matlosana	Matlosana Banquet Hall, Klerksdorp	Urban
22-23 May 2014	Career Expo	Free State	Lejweleputswa District Municipality	Thabong	Urban
26-30 May 2014	Sci-Bono Engineering Week	Gauteng	City of Johannesburg	Newtown	
29-30 May 2014	My Career Choice Expo	Kwa-Zulu Natal	eThekweni Municipality	Moses Mabhida Stadium	Urban
09-10 June 2014	Ekurhuleni Career Expo	Gauteng	Ekurhuleni	Alberton	Urban
24 June 2014	Nellmapius Secondary School	Gauteng	Tshwane	Pretoria	Urban

QUARTER 2					
30-1 July 2014	Inaugural ceremony of Thembisile Hani Local Municipality Aviation Career Exhibition	Mpumalanga	Thembisile Hani	Kwamhlanga	Rural
04 July 2014	Leap School Career Expo	Gauteng	City of Johannesburg	Linbro Park	Urban
15-18 July 2014	DHEI Mandela Day Career Expo	Gauteng	Emfuleni Municipality	Vereeniging	Urban
04-07 August 2014	Sci-Bono Mining Week	Gauteng	City of Johannesburg	Newtown	Urban



4.2.2.1 EXHIBITIONS, CAREER EXPOS AND INFORMATION SESSIONS

DATE	NAME OF EVENT	PROVINCE	MUNICIPALITY	SPECIFY AREA	URBAN / RURAL
QUARTER 2					
06-07 August 2014	DUT World of Work Careers Expo	KwaZulu-Natal	eThekweni Municipality	Durban	Urban
07 August 2014	Joburg South Career Expo	Gauteng	City of Johannesburg	Orange Farm	Urban
13-14 August 2014	DHET Year of the Artisan	KwaZulu-Natal	Endumeni Municipality	Newcastle	Urban
14-15 August 2014	8th Annual Career Expo	Eastern Cape	Amahlathi Local Municipality	Mthatha	Rural
28-29 August 2014	8th Annual Career Expo	Limpopo	Polokwane Municipality	Polokwane	Rural
18-19 September 2014	8th Annual Career Expo	North West	Mahikeng Municipality	Mmabatho	Urban
18 September 2014	Artisan Development Career Guidance	Limpopo	Sekhukhune District Municipality	Praktiseer	Rural

QUARTER 3					
16 October 2014	Sci-Bono Earth Sciences Week	Gauteng	City of Johannesburg	Newtown	Urban
20-23 October 2014	Samancor Career Expo	Limpopo	Sekhukhune District Municipality	Winterveld	Rural
15 October 2014	Roll Call for pre-exam Career Expo	Limpopo	Sekhukhune District Municipality	Praktiseer	Rural

QUARTER 4					
12 February 2015	TVET Skills Development Expo	Limpopo	Sekhukhune District Municipality	Apel	Rural
26 February 2015	Bahananwa Career Expo	Limpopo	Capricorn District Municipality	Ga-Malebogo	Rural
18 March 2015	Seotlong and Mphahlele Maths & Science Expo	Limpopo	Lepelle Nkumpi Municipality	Seleteng Ga-Mphahlele	Rural
24-25 March 2015	Soweto Career Day & Expo	Gauteng	City of Johannesburg	Orlando East	Urban
28 March 2015	Maritime Career Awareness Expo	Limpopo	Makhado	Nzhelele Makhado	Rural

4.2.2.2 CORPORATE EVENTS

International Literacy Day

The MQA hosted a successful annual International Literacy Day in partnership with the National Union of Mineworkers to celebrate AET achievers and encourage new entrants. The event was held on 6 September 2014 at Kooft Glenharvie Stadium, Westonaria and it was attended by approximately 1 000 AET learners from the mining and minerals sector. The theme of the event was 'Quality Education, Our Weapon to Destroy Poverty'. The Honourable Minister of the Department of Higher Education and Training, Dr Blade Nzimande, attended the event and delivered a keynote address.

Annual Consultative Conference

The MQA hosted a successful Annual Consultative Conference at the Pyramid Conference Centre in Johannesburg on 31 October 2014. Over 250 stakeholders from the mining and minerals sector attended the event. The Deputy Minister of Higher Education and Training, Mr Mduzuzi Manana, attended and delivered a key note address. The selection for the theme "Skills Development for Employability and Growth in the Sector" was inspired by the commitment of the MQA to take skills development programmes closer to the ordinary people in rural areas of South Africa. The Lecturer Support Programme beneficiary, Ms Tokoloho Rampai, delivered an inspiring speech that moved the Deputy Minister to appoint her as a Career Ambassador for the his department.





Annual Joint Stakeholder Engagement Forums

DATE	TOWN	PROVINCE	VENUE
09 March 2015	Rustenburg	North West	Lonmin Conference Centre
10 March 2015	Polokwane	Limpopo	Protea Hotel Landmark
10 March 2015	Witbank	Mpumalanga	Phumlani Lodge and Conference Centre
11 March 2015	Welkom	Free State	Welkom Inn
13 March 2015	Kuruman	Northern Cape	Oryx Trail Game Lodge
16 March 2015	Port Elizabeth	Eastern Cape	Pine Lodge Resort

Annual Joint Stakeholder Engagement Forums

The MQA hosted Stakeholder Engagement Forums in partnership with the Skills Development and Research Unit during the month of March, with the aim of informing and engaging stakeholders in the sector on key issues including amongst others:

- Mandatory and discretionary grant regulations update
- Discretionary grant allocation opportunities in 2015 (including learners with disabilities)
- 2015–2016 discretionary projects
- The MQA Funding Policy for the 2015–2016 financial year
- Artisan development opportunities for the employed and unemployed

The joint forums were held as shown in the table above.

4.2.3 CORPORATE IDENTITY

The MQA corporate identity is constantly monitored for compliance within all operational units and corporate identity templates are used to ensure consistency. In an effort to promote the MQA brand and increased provincial presence, six MQA regional offices were branded. The corporate identity guidelines were consistently applied for printed material were consistent with the elements in the corporate identity manual.

4.2.4 WEBSITE

The MQA website is a public domain used by our stakeholders as a reliable source of information. The new website is more interactive and it houses most of our MIS links such as the WSP-ATR and MQA-I-Share systems. These systems are used by our stakeholders to register and administer various projects and learning programmes.

4.2.4.1 WEBSITE STATISTICS FOR THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015

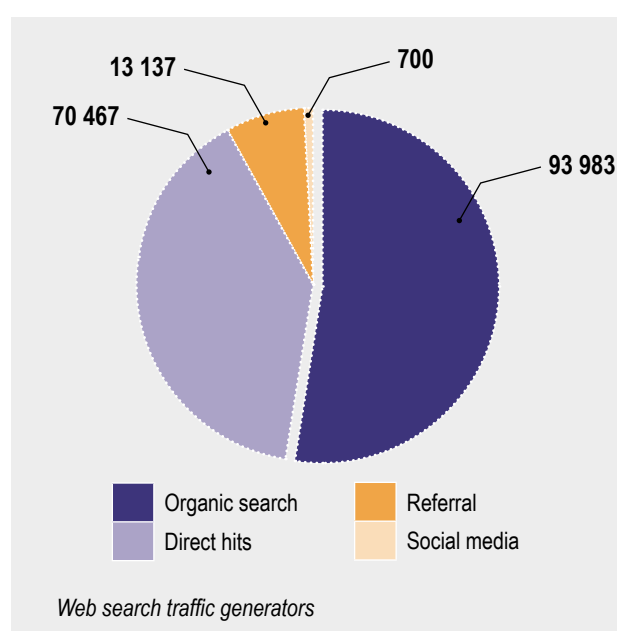
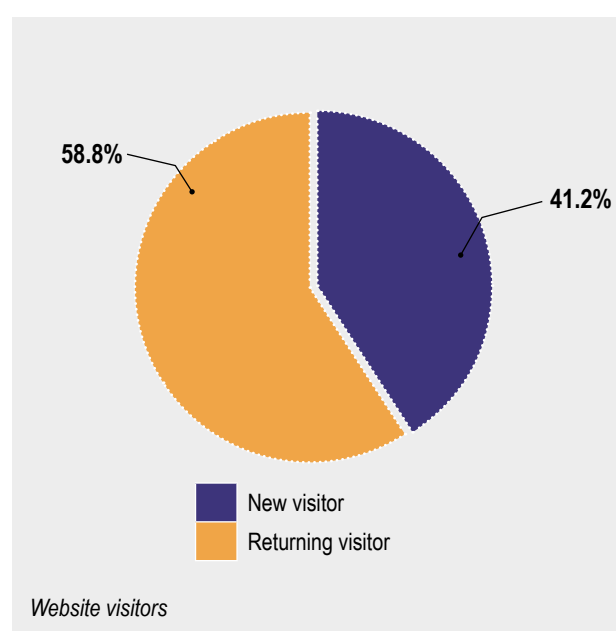
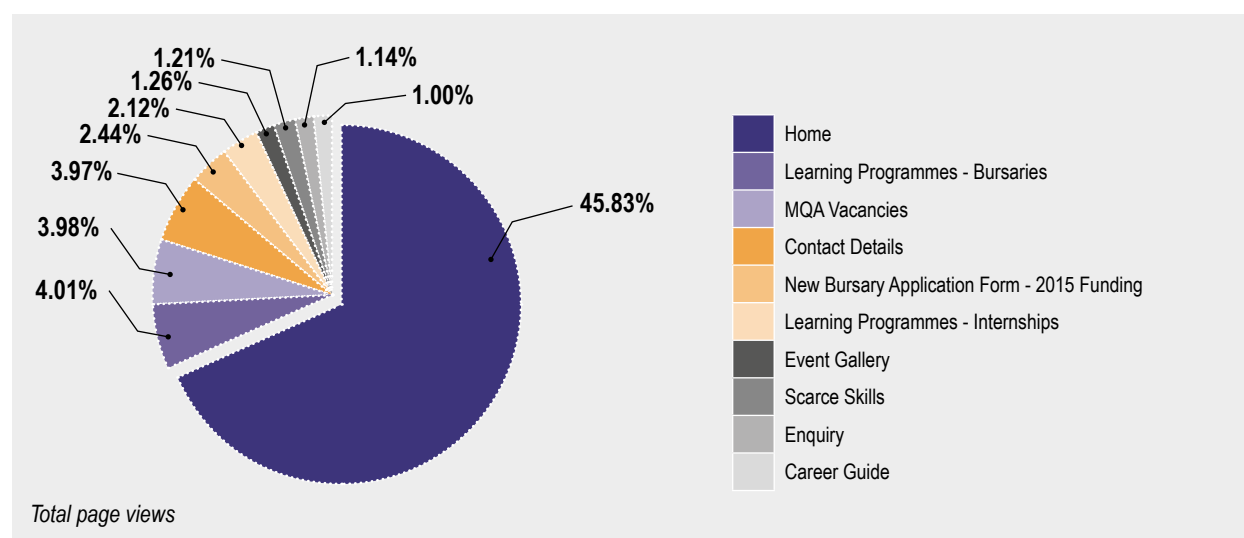
There were 178 000 visits from 73 000 users over this period. The site achieved an excellent bounce rate of 29.5% (a 'bounce' is when a visitor leaves the site without continuing to interact or view any other pages on the site). Website visits in 2014 were stable with around 15 000 visits per month, however, after optimising the site at the beginning of 2015, the traffic increased to over 20 000 visits per month. The sources of the traffic show that the majority of users used search engines (like Google) to search for MQA-related keyword searches. There were low numbers of referral traffic (visits from links from other sites) and very low social media traffic (visits from social media like Facebook, etc.). In future work needs to be done to increase the traffic from these two sources as Google places high regard on these traffic sources when it ranks websites in its listings.

In terms of mobile traffic (visitors using mobile phones and tablets), 25% of the traffic came from mobile users. The bounce rate for mobile users was too high at 50% showing that the user experience was not good enough for these users. In future, the MQA will need to seek ways to improve this as mobile traffic is on the rise in on the site.



Website activity

PAGE	PAGEVIEWS	UNIQUE PAGEVIEWS	AVG. TIME ON PAGE	ENTRANCES	BOUNCE RATE	% EXIT
1. Home	218,437	139,334	00:03:43	131,084	22.77%	48.98%
2. Learning Programmes - Bursaries	19,121	13,400	00:02:09	10,140	40.95%	43.26%
3. MQA Vacancies	18,947	12,386	00:00:58	2,736	32.52%	24.46%
4. Contact Details	18,905	14,959	00:02:29	4,825	56.02%	46.14%
5. New Bursary Application Form - 2015 Funding	11,646	8,305	00:02:26	4,817	50.90%	50.36%
6. Learning Programmes - Internships	10,120	7,409	00:02:58	4,642	48.68%	46.62%
7. Event Gallery	6,028	4,480	00:00:43	102	40.59%	13.16%
8. Scarce Skills	5,757	4,774	00:01:41	857	69.78%	24.91%
9. Enquiry	5,424	2,922	00:02:04	231	63.64%	17.33%
10. Career Guide	4,763	3,802	00:00:52	204	40.69%	14.34%
Averages and Totals	476,606	325,985	00:02:19	177,314	29.50%	37.20%





4.2.5 CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

The Customer Relationship Management (CRM) is a tool for recording and tracking the number of queries logged by the stakeholders. This system enables the Customer Service and Communication Unit to evaluate and monitor the engagement between the various units and stakeholders. The tool provides reports highlighting resolved cases and those that are pending. Every stakeholder complaint is assigned a case number to enable the stakeholder to follow up using the case number if the query is not resolved timeously. The improvement of the CRM tool's efficiency is an ongoing process aimed at responding to the stakeholder queries in a structured manner.

TOTAL NUMBER OF EMAIL CASES UPLOADED AND RESOLVED IN 2014–2015											
ETQA	SDR	PROJECTS	LEARNING PROGRAMMES	SGB	FREE STATE	LIMPOPO	MPUMALANGA	NORTH WEST	GENERAL	TOTAL CASES LOGGED	TOTAL CASES RESOLVED
766	321	152	248	302	16	3	2	6	4	1 822	1 822

CRM cases reported during the 2014–2015 year

The total number of email cases uploaded and resolved in 2014–2015 is shown in the table above.

Some of the cases raised included:

- Application forms and information on bursaries and internships
- Delayed and non-payment of bursaries
- Re-printing and verification of trade test certificates
- Moderator and assessor forms
- Registration for WSP-ATR workshops
- Source data and WSP-ATR submission forms
- Inter-SETA transfers
- Outstanding fees that have not been paid

- Requests for statement of results
- Outstanding grants that have not been paid
- Guidelines on how to upload learner agreements
- List of skills programmes and unit standards

4.3. HUMAN RESOURCES

The approved Human Resources Operational Plan is a three-year document covering the period between 2013 and 2016. It contains the key human resources deliverables which strategically supports the MQA's business mandate. The boards' benchmark for performance is 80% and above for the organisation and the Human Resources Unit far exceeded this performance threshold. Below is the summary of the deliverables, actual achievement for the year under review:

SUMMARY OF DELIVERABLES AND ACTUAL ACHIEVEMENTS		
DELIVERABLES	PLANNED ACTIVITIES	COMMENTS
Vacancy rate	Number of vacant positions to be filled.	Of the 13 Vacancies, 11 have been successfully filled. The vacancy rate is 9.09% due to new positions being recently approved by the Board.
Training and development	Percentage implementation of the MQA's WSP.	100% implementation with a total expenditure of R 2 368 645, 02
HR policies and procedures	Number of policies reviewed.	Achievement: <ol style="list-style-type: none"> 1. Disciplinary and Grievance Policy 2. Succession and Promotion Policy 3. Code of Conduct 4. Employment Equity Policy <p>The policy that was not reviewed was the Training and Development Policy and will be amended in 2015–2016.</p>
Human resource communication	Policy information sessions hosted by the unit.	<p>The Human Resources Unit rolled out approved policies to all staff members through contact sessions within the MQA.</p> <p>The policies that were rolled out includes:</p> <ol style="list-style-type: none"> 1. Probation Policy 2. Internship Policy 3. Overtime and subsistence Policy 4. Pension Benefits and interpretation procedure



SUMMARY OF DELIVERABLES AND ACTUAL ACHIEVMENTS		
DELIVERABLES	PLANNED ACTIVITIES	COMMENTS
Organisational development	Implementation of the internal reorganisation	<p>95% of the project was implemented. The internal re-organisation was approved by the Board in July 2014 with the view to enhance the MQA value chain and improve company performance in line with the strategic plan of the MQA.</p> <p>The implementation of the reorganisation was effected in May 2015 post the financial year end. Employees have been consulted one on one and in groups, matching and placing of staff has been concluded and handover processes are in place.</p>
Organisational design	Review of the MQA's job profiles	<p>90% of the job profiles were reviewed and amended.</p> <p>The organisational structure was reviewed and amended.</p> <p>As a result of the internal re-organisation, most jobs changed and some were enlarged. The job profiles were reviewed to ensure alignment with the revised organisational structure.</p> <p>The remainder of the jobs will be completed in 2015–2016 due to the delays in concluding the consultation process with job incumbents.</p>
Change management programme	Procurement of the change management intervention	<p>The programme was procured and the implementation will commence in 2015–2016.</p> <p>The change programme will resume in the month of May 2015 and proceed for a period of six consecutive months to ensure a smooth transition during and after the internal re-organisation.</p>
Automation of performance management	Percentage automation of the Performance Management System	<p>85% achievement.</p> <p>The VIP system was recoded to accommodate the performance management level.</p> <p>Jobs linked to family codes and job profiles.</p> <p>The Performance Agreement were loaded on the system and continual revision is taking place.</p> <p>Training of staff to be scheduled between May & June and the Automation to go live in June 2015.</p>
Coaching and mentoring of MQA leadership	Executive Leadership and Management Coaching Programme	<p>100% achievement the programme was completed within the planned 12-month period.</p> <p>The coaching programme resumed in October 2013 for all levels of management within the MQA. Furthermore, there were savings identified which were used to benefit newly appointed employees.</p>
Employment equity compliance	Percentage achievement of employment equity	<p>The MQA complied 95% with employment equity requirements.</p> <p>The committee selected by employees started to fully operate in 2014. The committee attended employment equity training to ensure that they understand their role as committee members and the logic behind the Employment Equity Act and legislator requirements thereof.</p> <p>The employment equity reports were submitted by the MQA to the Department of Labour.</p> <p>The revised employment equity plan was developed and submitted to the Department of Labour.</p>
Human resource governance	Regulatory and statutory compliance	<p>80% actual achievement.</p> <p>Human Resource Risk register developed, reviewed and amended.</p> <p>All audit queries addressed and resolved.</p> <p>Human resource process reviewed and updated.</p> <p>Compliance to policies and systems.</p> <p>Statutory compliance was observed.</p> <p>Business continuity and ISO compliance.</p> <p>Submission to SARS and regulatory bodies.</p>
Employee wellness	Percentage implementation for the wellness programme	<p>100% of the programme was implemented over a period of 12 months.</p> <p>The Human Resources Unit procured a service provider called Kaelo to provide a comprehensive wellness programme to MQA employees and their family members. The employees named this programme 'Masase' and it was launched in 2014.</p> <p>The programme is aimed at providing professional services to the MQA staff 24 hours a day focusing on amongst others work pressures, relationship issues, domestic issues, financial & legal advice etc. They contract with qualified psychologists, attorneys and financial advisers to provide assistance both telephonically and face to face.</p> <p>The unit hosted a wellness day to afford the staff members to conduct a medical check-up and get advice on their health status and ways to improve their health.</p>
Human resource administration	Percentage implementation for human resource administration	<p>85% achievement on benefits administration, employee support, information and document management.</p>
Human Resource Information Systems (HRIS)	Percentage implementation of the HRIS	<p>100% implementation.</p> <p>Performance management being finalised.</p>



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LEVEL	PERSONNEL EXPENDITURE	% PERSONNEL EXP TO TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Top Management	R 8 395 056.88	13.86%	6	R1 399 176.15
Senior Management	R 16 087 521.83	26.56%	17	R 946 324.81
Professional qualified	R15 211 417.83	25.11%	26	R585 054.53
Skilled	R 10 051 849.29	16.59%	38	R 264 522.35
Semi-skilled	R498 787.83	0.82%	3	R166 262.61
Unskilled	R488 004.00	0.81%	3	R162 668.00
Temporary staff	R3 464 676.33	5.72%	46	R72 180.76
Leave Payments	R904 882.35	1.49%	25	R36 195.29

Performance rewards

PROGRAMME	NO. OF BENEFICIARIES	PERSONNEL EXPENDITURE	% PERFORMANCE REWARDS TO TOTAL PERSONNEL COST
Top management	6	R 819 378.40	1.35%
Senior management	15	R 1 297 695.23	2.14%
Professional qualified	20	R 1 379 917. 27	2.28%
Skilled	25	R 910 287.93	1.50%
Semi-skilled	2	R 54 179.72	0.08%
Unskilled	2	R 47 158.92	0.07%

Training cost

BUSINESS UNIT	PERSONNEL EXPENDITURE	TRAINING EXPENDITURE	TRAINING EXPENDITURE AS PERCENTAGE OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Human Resource Training & Development Budget	R60 573 552.96	R 2 368 645,02	3.9%	78	R30 367.24

Employment changes

LEVEL	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATION (INCLUDES PROMOTIONS)	EMPLOYMENT AT END OF PERIOD
Top management	5	1	0	6
Senior management	15	2	1	16
Professional qualified	25	3	2	25
Skilled	27	13	3	37
Semi-skilled	2	1	0	3
Unskilled	3	0	0	3
TOTAL	72	21	4	90



Employment and vacancies

PROGRAMME	2013-2014 NO OF EMPLOYEES	2014-2015 APPROVED POST	2014-2015 NO OF EMPLOYEES	2014-2015 VACANCIES	% VACANCIES
Executive	5	6	6	0	0
Senior Management	15	19	16	3	3.03%
Professionals	25	29	25	4	4.04%
Administration	27	39	37	2	2.02%
Semi-skilled	2	3	3	0	0%
Unskilled	3	3	3	0	0%
TOTAL	78	99	90	9	9.09%

Terminations

DEATH	RESIGNATIONS	DISMISSAL	RETIREMENT	ILL HEALTH	OTHER
0	5	0	0	1	0

Labour relations (misconduct and disciplinary enquiry)

VERBAL WARNING	WRITTEN WARNING	FINAL WRITTEN WARNING	DISMISSAL
0	1	0	0

Workforce profile and employment equity status

LEVELS	AFRICAN		COLOURED		INDIAN		WHITE		TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Top Management	3	2	0	0	1	0	0	0	6
Senior Management	10	4	0	1	0	1	0	0	16
Professional Qualified	6	14	2	0	1	1	0	1	25
Skilled	10	22	0	3	0	1	0	1	37
Semi-Skilled	1	2	0	0	0	0	0	0	3
Unskilled	0	3	0	0	0	0	0	0	3
Total	30	47	2	4	2	3	0	2	90
Disability	0	0	0	0	0	0	0	0	0
Total	30	47	2	4	2	3	0	2	90

4.4. FACILITIES AND OFFICE MANAGEMENT

4.4.1. HEAD OFFICE MANAGEMENT

The MQA Head Office refurbishment project was completed for Blocks C and D, which ensured construction of working space to accommodate the administration, customer service, finance, operations and executive staff members. The refurbishments were completed to ensure productivity and accessibility for stakeholders in the newly acquired building. Space planning resulted in the construction of additional three boardrooms as well as

functional office space. The construction in Block B will yield boardrooms, meeting venues as well as additional office space. The completion period for Block B will be in August 2015.

4.4.2. REGIONAL SUPPORT

The MQA has six offices which are located within TVET colleges and support to these offices was rendered during the year under review ranging from office maintenance, IT support, resource distribution, branding and support.



SECTION 5

MONITORING, EVALUATION AND RISK



“The Monitoring and Evaluation Unit was established to determine the impact of the MQA’s investment in the mining and minerals sector training programmes against the number of people trained.”

Sam Seepei



5.1. MONITORING, EVALUATION AND RISK

The Monitoring and Evaluation Unit was established to determine the impact of the MQA's investment in the mining and minerals sector training programmes against the number of people trained. This unit is an integral part of the MQA and its contribution towards organisational planning, monitoring, impact assessment and evaluation will enable the organisation to track the MQA's impact on skills development in the mining and minerals sector. The MQA strategic objectives are implemented and tracked through the Annual Performance Plan (APP) and validated by the unit. In addition, the unit focuses on management of strategic and operational risks, and fraud and corruption. During its year of establishment, all the founding documents were developed as follows:

5.1.1 POLICIES AND FRAMEWORKS

The following policies were reviewed and approved:

- Monitoring and Evaluation Policy Framework
- Risk Management Policy
- Fraud Prevention Policy

5.1.2 MONITORING & EVALUATION ACTIVITIES THAT WERE UNDERTAKEN

- Tools necessary for the implementation of the policies are in the development phase while some have been completed.
- A risk management strategy and policy was developed and approved.
- Continuous monitoring of the fraud hotline, some investigations were completed and others are in progress.
- The validation of quarterly performance against the Annual Performance Plan has commenced and is ongoing.
- The analysis of data is ongoing, challenges are experienced with accessing old learner data.
- The gap analysis in respect of the MQA's strategic planning process and the strategic plan was conducted.
- Risk assessment workshops were conducted.
- Performance validation and verification was concluded for all quarters.

Alignment to other business units is important in providing the Monitoring and Evaluation with critical information that can be analysed, validated and converted to useful strategic information that can be used by the board in setting the strategic direction of the MQA.





SECTION 6

REPORT OF THE AUDIT AND RISK COMMITTEE



“The MQA’s Audit Committee expressed satisfaction with risks identified and the controls implemented during the period under review.”

David Msiza, Chairperson



REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2015.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

AUDIT COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

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

THE EFFECTIVENESS OF INTERNAL CONTROL

The systems of controls are 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 Report on Corporate Governance requirements, internal audit provides the Audit and Risk 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. The MQA has established a Risk and Fraud Management Committee.

In the conducting its duties, the Audit and Risk Committee has amongst other things, reviewed the following:

- The effectiveness of internal control systems
- The effectiveness of 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

Audit Committee members, meeting attendance and remuneration

NAME OF MEMBER	CONSTITUENCY	NUMBER OF MEETINGS ATTENDED	DATE STARTED	FEES PAID
SM Radebe	Independent*	2	Oct -14	R21 720
Z Qunta	Independent	2	Oct -14	R12 928
M Mbonambi	Independent	4	Oct -14	R12 928
V Mabena	Board	0	Apr -04	N/A
N Nyweba	State	0	Aug -13	N/A
K Mkhwanazi	State	2	Apr -12	N/A
J Hugo	Labour	2	Apr -09	N/A
J Masha	Labour	1	Apr -09	N/A
H Groenewald	Employer	2	Jun -10	N/A
T Shogole	Employer	0	Apr -11	N/A
B Mathibela	Independent**	2		R12 890
V Kweyama	Independent**	1		R6 455
A Mawela	Independent**	2		R17 578

* Chairperson

** Term Ended in July 2014





- Accounting and auditing concerns identified as a result of internal and external audits
- 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 and Risk Committee and discussions with the external auditors are of the opinion, based on the information and explanations given by management and the internal 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 and Risk Committee is satisfied that it has carried out the mandate in accordance with its charter, good governance principles and the requirements of the Public Finance Management Act.

We can report that the key systems of internal controls over financial reporting for the period under review were efficient and effective. Management has 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 2015, we are of the opinion that they comply in all material respects with the relevant provisions of the Public Finance Management Act, No

1 of 1999, as amended, and South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations of such statements, where no GRAP standard exists and that they fairly present the results of operations, cash flow, and the financial position of the MQA. We therefore recommend that the financial statements submitted be approved

The Audit and Risk 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, it is independent and it has addressed risks pertinent to the MQA in its audit.

AUDITOR-GENERAL OF SOUTH AFRICA

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

Mr SM Radebe
Chairperson of the Audit Committee



SECTION 7

REPORT OF THE AUDITOR-GENERAL



"I believe that the audit evidence obtained is sufficient and appropriate to provide the basis for my audit opinion".

Auditor General





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

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the financial statements of the Mining Qualifications Authority (MQA) as set out on pages 64 to 108 which comprise, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising 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 the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Skills Development Act, 1998 (Act No. 97 of 1998) (SDA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. 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.
4. 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the MQA as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA and SDA.

EMPHASIS OF MATTER

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

SETA RE-ESTABLISHMENT

8. As disclosed in note 32 of the financial statements, the MQA's licence expires on 31 March 2016. As at the date of this report, the Minister of Higher Education and Training had not made a pronouncement on renewal of the SETA licences beyond 31 March 2016.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2015:
- Objective 2: Support objective decision making for skills development through research in the sector on page 21.
 - Objective 4: Facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework on pages 23 to 27.
11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPi).
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:

- Objective 2: Support objective decision making for skills development through research in the sector on page 21
- Objective 4: Facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework on pages 23 to 27.

ADDITIONAL MATTERS

15. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objective, I draw attention to the following matters:

ACHIEVEMENT OF PLANNED TARGETS

16. Refer to the annual performance report on pages 19 to 29 for information on the achievement of the planned targets for the year.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

17. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of objective 4: facilitate and support the implementation of core sector skills and develop programmes aligned to the sector qualifications framework. As management subsequently corrected all of the misstatements, I did not raise material findings on the reliability of the reported performance information.

COMPLIANCE WITH LEGISLATION

18. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:



ANNUAL FINANCIAL STATEMENTS

19. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)(a) of the Public Finance Management Act. Material misstatements in the commitments disclosure note identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

INTERNAL CONTROL

20. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

LEADERSHIP

21. Implementation of action plans to address internal control deficiencies reported on in the previous year were not adequately monitored. This resulted in a reoccurrence of material audit findings.

FINANCIAL AND PERFORMANCE MANAGEMENT

22. Management did not implement controls over commitments management on a monthly basis which resulted in material misstatements identified in the commitments disclosure note as at year end.

23. Management did not perform adequate reviews over the annual financial statements resulting in misstatements identified by the auditors.

OTHER REPORTS

INVESTIGATIONS

24. An independent consulting firm performed an investigation at the request of the public entity, which covers the period 01 April 2009 to 31 March 2014. The investigation was initiated based on an allegation that a service provider was not using discretionary grants for the intended purpose. The outcome of the investigation is expected by the 30th September 2015.

Auditor - General

Pretoria

31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



SECTION 8

ANNUAL FINANCIAL STATEMENTS

SECTION 8: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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“The Accounting Authority has set standards which require that management implement effective and efficient systems..”

David Msiza



8.1 ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Board is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the financial statements fairly present the state of affairs of the MQA as at the end of the financial year and the results of its operations and cash flows. The external auditors are engaged to express an independent opinion on the financial statements and were given unrestricted access to all financial records and related data.

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

The financial statements set out on pages 64 to 108, which have been prepared on the going concern basis, were approved by the board of members on 30 July 2015 and were signed on its behalf by:

M.S. Seepei
Chief Executive Officer

D. Msiza
MQA Chairperson



8.2 ACCOUNTING AUTHORITY'S REPORT

1. RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY

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

To meet 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 systems.

Further responsibilities of the Accounting Authority include:

- The management and safeguarding of the assets, as well as the management of revenues, expenditures and liabilities.
- The submission of all reports, returns, notices and other information to Parliament, Department of Higher Education and Training or National Treasury, as may be required by the Public Finance Management Act.

2. GENERAL REVIEW OF THE STATE OF AFFAIRS

Total revenue for the MQA for the 2015 financial year, including donor income, amounted to R993 million (2014:R937 million). The effect was an increase of R56 million. The increase was mainly due to payroll increases in the mining industry. The administration income allocated from levies received was R121 million for the financial year (2014:R115 million). The actual administrative expenditure for the year amounted to R108 million (2014:R89 million).

The MQA recorded a deficit of (R34.5 million) for the current financial year (2014:R110 million surplus). The MQA grants reserves at year end amount to R449 million (2014:R484 million). Future commitments in respect of discretionary funds amount to R766 million (2014:R678 million) and thus exceed our reserves by R317 million. We are confident that this shortfall will be covered by our projected future levy income of approximately R1 billion over the next year.

During the year the MQA expensed R909 million (2014:R601 million) towards mandatory, discretionary grants and special projects excluding donor funding expenditure of R10 million (2014:R13 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:

	2015 R'000	2014 R'000
Adult Education and Training (AET)	15	8
HDSA Development	-	3
Bursary Scheme and Work Experience	147	108
Learnerships & Skills Programmes	72	34
Graduate Training Programme	122	43
Learning Material Development Grants	4	3
Unit Standard Generation Grants	2	2
Employment Equity Grant (University)	-	9
Maths and Science Project.	3	7
SME Skills Development Support	-	4
Occupational Health & Safety programme	13	8
Mine Inspector Training	-	2
Jewellery and Diamond Industry Support	-	4
Skills Development Facility Support	1	-
Artisan Development	266	88
Skills Development Research Analysis	-	2
Mine Community Capacity Development	25	-
Youth Development Support	7	-
Mpumalanga FET Artisan Development	9	-
Various other projects	28	8
Total	714	333



3. 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.

4. CAPACITY

There were a small number of staff resignations during this financial year. We can report that the MQA currently has a stable workforce and capacity to carry out its mandate.

5. UTILISATION OF DONOR FUNDS

The Unemployment Insurance Fund (UIF) transferred R10 million to the MQA during the period under review. These funds were mainly used for the training of artisans in terms of a service level agreement between the MQA and the UIF.

6. PUBLIC PRIVATE PARTNERSHIPS

No formal Public Private Partnership agreements were concluded during the period of review.

7. 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.

8. DISCONTINUED PROJECTS

The following projects were discontinued in the period under review:

- SME Skills Development Support.
- Mine Inspector Training

9. NEW/PROPOSED PROJECTS

During the period under review the following new projects or services were introduced:

- Mine Community Development Programmes
- Youth Development Project

The members of the Accounting Authority receive allowances from the MQA. The names and attendance of members of the Accounting Authority are covered in the Chairpersons Report.



10. EXECUTIVE MANAGERS EMOLUMENTS

	BASIC SALARIES R'000	PERFORMANCE BONUSES R'000	NON- PENSIONABLE ALLOWANCES R'000	PENSION CONTRIBUTION R'000	TOTAL 2015 R'000	TOTAL 2014 R'000
S Seepei (CEO)	719	201	1,040	103	2,063	1,949
Y Omar (CFO)	1,003	190	274	180	1,647	1,381
TG Mmotla (COO)	374	-	855	56	1,285	448
IG Mkhize (EMCS)	754	171	361	111	1,397	1,090
M Mdingi (CRM&EO)	673	171	455	100	1,399	1,273
CM Maila (EMSR)	796	86	329	119	1,330	1,090
	4,319	819	3,314	669	9,121	6,837

TG Mmotla was appointed as Chief Operations Officer on 09-04-2014.

The members of the Accounting Authority receive allowances from the MQA. The names and attendance of members of the Accounting Authority are reported below.

Board Members Remuneration

NON-EXECUTIVE MEMBERS	ORGANISATION	CONSTITUENCY	ATTENDANCE	TOTAL FEES RECEIVED R'000
D Msiza*	DMR	State**	3	-
T Tshozane	Ministerial appointee	Ministerial appointee	2	-
N Kubeka	Ministerial appointee	Ministerial appointee	3	4
A Ntshangase	NUM	Labour	3	7
F Letlala	NUM	Labour	1	-
R Samuel	UASA	Labour	-	-
Z Tantsi	NUM	Labour	1	-
D Shikati	NUM	Labour	3	7
A Teteme	NUM	Labour	4	7
Chamber of Mines***	Chamber of Mines	Employer	5	257
L Mogaki	Anglo Platinum	Employer	1	-
J Venter	CTC	Employer	2	-
M Mashego	Harmony	Employer	3	-
S Rogers	Petra Diamonds	Employer	2	-
P Gamede	DMR	State**	3	-
H Mbiko	DMR	State**	2	-
M Kobe	DMR	State**	1	-
M Zondi	DMR	State**	3	-
				282

* Chairperson

**Not entitled to fees

***Represented by V Mabena and S Carthy



11. 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. Moreover, the MQA is also established in terms of the Mine Health and Safety Act hence the MQA continues to adopt a going concern basis in preparing the annual financial statements.

12. SETA RE-ESTABLISHMENT

SETAs are established for a five year period through provisions of the Skills Development Act and Mine Health and Safety Act. The MQA has been given a renewal certificate for the establishment as a SETA until 31 March 2016.

13. RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

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



8.3 STATEMENT OF FINANCIAL PERFORMANCE

	NOTES	2015 R'000	2014 R'000
Revenue			
Revenue from non-exchange transactions			
Skills Development Levy: Income	3	914,986	881,492
Skills Development Levy: Interest and penalties	3	22,260	12,142
Government grants & donor funding income	22	10,385	12,960
		947,631	906,594
Revenue from exchange transactions			
Investment income	4	45,452	30,268
Other income	5	196	222
		45,648	30,490
Total revenue		993,279	937,084
Expenditure			
Employer grants and projects	6	(909,166)	(600,955)
Administration expenditure	7	(108,205)	(89,234)
Finance costs	9	(25)	(39)
Transfers to other Government entities	10	-	(123,655)
Government grants and donor funding expenditure	22	(10,385)	(12,960)
Total expenditure		(1,027,781)	(826,843)
Loss on disposal of assets and liabilities		(72)	(80)
(Deficit) surplus for the year		(34,574)	110,161



8.4 STATEMENT OF FINANCIAL POSITION

	NOTES	2015 R'000	2014 R'000
Assets			
Current Assets			
Inventories	15	427	247
Trade and other receivables from non-exchange transactions	16	16,747	19,573
Trade and other receivables from exchange transactions	14	896	1,333
Cash and cash equivalents	17	720,014	730,314
		738,084	751,467
Non-Current Assets			
Property, plant and equipment	12	61,489	59,514
Intangible assets	13	845	373
		62,334	59,887
Total Assets		800,418	811,354
Liabilities			
Current Liabilities			
Grants and transfers payable	20	168,797	190,950
Trade and other payables from exchange transactions	21	14,405	56,694
Finance lease obligation	18	234	65
Provisions	23	167,543	79,746
		350,979	327,455
Non-Current Liabilities			
Finance lease obligation	18	165	52
Total Liabilities		351,144	327,507
Net Assets		449,274	483,847
Reserves			
Administration reserve		62,334	59,887
Employer grant reserve		1,348	292
Discretionary reserve		385,592	423,678
Total Net Assets		449,274	483,857



8.5 STATEMENT OF CHANGES IN NET ASSETS

	ADMINISTRATION RESERVE R'000	EMPLOYER GRANT RESERVE R'000	DISCRETIONARY RESERVE R'000	TOTAL RESERVES R'000	UNAPPROPRIATED SURPLUS R'000
Opening balance as previously reported	7,732	23	385,007	392,762	-
Adjustments					
Prior year adjustments	-	-	(19,066)	(19,066)	-
Balance at 01 April 2013 as restated*	7,732	23	365,941	373,696	-
Changes in net assets					
Surplus for the year	-	-	-	-	110,161
Allocation of unappropriated	25,793	56,897	27,471	110,161	(110,161)
(Deficit)/Surplus					
Transfer to discretionary reserves	26,361	(56,628)	30,257	-	-
Total changes	52,154	269	57,728	110,151	-
Balance as at 31 March 2015	59,887	292	423,669	483,848	-
Changes in net assets					
Surplus for the year	-	-	-	-	(34,574)
Allocation of unappropriated	12,940	33,137	(81,651)	(34,574)	34,574
(Deficit)/Surplus					
Transfer to discretionary reserves	(10,493)	(33,081)	43,574	-	-
Balance at 31 March 2015	62,334	1,348	385,592	449,274	-
Note(s)					



8.6 CASH FLOW STATEMENT

	NOTES	2015 R'000	2014 R'000
Cash flows from operating activities			
Receipts			
Levies, interest and penalties received		960,997	860,049
Government grants and donor funding received		8,765	12,060
Interest received		45,487	30,570
Other cash receipts from stakeholders		196	5,833
		1,015,445	908,512
Payments			
Grant and project payments		(916,424)	(574,310)
Special projects		(10,385)	(12,485)
Finance costs		(25)	(39)
Compensation of employees		(56,082)	(45,242)
Transfer to other Government entities		(2,505)	(35,000)
Payments to suppliers and others		(35,714)	(20,210)
		(1,021,135)	(687,286)
Net cash flows from operating activities	24	(5,690)	221,226
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(3,744)	(54,532)
Proceeds from sale of property, plant and equipment	12	133	27
Purchase of other intangible assets	13	(459)	(272)
Net cash flows from investing activities		(4,070)	(54,777)
Cash flows from financing activities			
Repayment of finance lease obligations		(540)	(182)
Net increase/(decrease) in cash and cash equivalents		(10,300)	166,267
Cash and cash equivalents at the beginning of the year		730,314	564,047
Cash and cash equivalents at the end of the year	17	720,014	730,314



8.7 ACCOUNTING POLICIES

1. BASIS OF PREPARATION

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

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

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

1.1 CURRENCY

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

1.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Skills Development Levy (SDL) income

In terms of section 3(1) and 3(4) of the Skills Development Levies Act (the Levies Act), 1999 (Act No. 9 of 1999), registered member companies of the MQA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training.

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

Eighty percent (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.

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 :

	2015
Administration cost (including 0.5% transfer to QCTO)	10.50 %
Mandatory grants	20.00 %
Discretionary grants and projects	49.50 %
	80.00 %

In addition to these amounts employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS, are charged interest and penalties at rates prescribed by SARS from time to time.

The interest and penalties charged are remitted to the Department of Higher Education and Training, who in turn transfers them to the MQA. The interest and penalties are disclosed separately as Skills Development Levy penalties and interest.

Inter-SETA transfers

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



ACCOUNTING POLICIES

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

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

Recognition

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 either makes an allocation or payment to the MQA, whichever occurs first, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No.9 of 1999).

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

Previously, this provision was accumulated indefinitely but with effect from the current financial year, the Department of Higher Education and Training advised Setas that this provision may be utilised for discretionary grants purposes after the expiry of 5 years in terms of Section 109(4) of the Tax Administration Act as the employers may not claim the money back after 5 years.

Measurement

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

Government grants and donor funding income

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

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

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

Property, plant and equipment acquired from government grants and donor funds are capitalised, as the MQA controls such assets for the duration of the projects. Such assets can, however, only be disposed of in terms of written agreement with the donors.

1.3 REVENUE FROM EXCHANGE TRANSACTIONS

Investment income

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

Other income

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

- The amount of revenue can be measured reliably,





ACCOUNTING POLICIES

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- The stage of completion of the transaction at the reporting date can be measured reliably
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- Revenue from exchange transactions are measured at the fair value of the consideration received or receivable.

1.4 GRANTS AND PROJECT EXPENDITURE

In terms of the new Grant Regulations, registered employers may recover 20% of levy payments (excluding interest and penalties) in the form of mandatory grants, provided they timeously submit the documents prescribed in terms of grants regulations.

In addition, registered employers that participate in skills development initiatives prescribed in the National Skills Development Strategy 3 (2011-2016) and the MQA's Sector Skills Plan, can apply for and be granted discretionary grants to supplement their training cost.

Mandatory grants

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

The grant is equivalent to 20% of the total levies paid by the employer during the corresponding financial period for the skills planning and annual training report grants. (2014 : 20%).

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

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 as obtained from SARS.

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

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

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

Discretionary grants and project expenditure

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

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 as well as the availability of funds.

The discretionary grants and project expenditure and the related payables are recognised when the application has been approved and the conditions for the grant payments, as set out in the MQA funding policy have been met.

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





ACCOUNTING POLICIES

Project expenditure comprises:

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

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

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 the duration of the contract extends beyond the reporting period, a commitment arises and is disclosed in the notes to the financial statements.

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

1.5 PREPAYMENTS

The MQA may, in certain instances, when contracting with SMMEs and when required by the terms of the contract of a services provider, make advance payments.

1.6 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

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

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

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

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

1.7 PROPERTY, PLANT AND EQUIPMENT

Recognition

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

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

Initial measurement

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





ACCOUNTING POLICIES

Subsequent measurement

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

Depreciation

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

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

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

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

Impairment

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

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

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

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

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

Cost basis

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

ITEM	AVERAGE USEFUL LIFE
Office furniture	10 - 15 years
Motor vehicles	4 - 5 years
Office equipment	3 - 10 years
Computer equipment	2 - 5 years
Fixtures and fittings	10 - 15 years
Cellphones	2 - 3 years
Office Building	30 - 50 years

Revaluation basis

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



ACCOUNTING POLICIES

The fair value of items of land and buildings is determined from market-based evidence by appraisal undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualification.

The fair value of other items of plant and equipment is ascertained by reference to quoted prices in an active and liquid market. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs is revalued.

If assets are revalued upwards, the increase is credited directly to revaluation surplus unless the upward revaluation reverses a previous downward revaluation, in which case it is recognised in the surplus or deficit for the period.

If assets are revalued downwards, the decrease is recognised in the surplus or deficit for the period unless the downward revaluation reverses a previous upward revaluation credit, in which case it is applied against a revaluation credit in respect of that asset.

If assets are revalued downwards, the decrease is recognised in the surplus or deficit for the period unless the downward revaluation reverses a previous upward revaluation credit, in which case it is applied against a revaluation credit in respect of that asset.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

Gains or losses arising from derecognition of items of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amounts of such items and are included in the surplus or deficit for the period when the item is derecognised.

Key accounting judgements

In the application of the MQA's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

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

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

Key sources of estimation uncertainty

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

The MQA is currently established as a SETA until 31 March 2016.

In the light of the extension of MQA's establishment until 31 March 2016, management is 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 on the determination of residual values of assets.



ACCOUNTING POLICIES

The MQA has reviewed the estimated useful lives and 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. Estimated useful lives and residual values will continue to be reviewed annually in future.

1.8 INTANGIBLE ASSETS

Recognition

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

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

The useful life or service potential of an intangible asset is assessed as to whether it is finite or indefinite.

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

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

Initial measurement

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

Subsequent measurement

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

Amortisation

The amortisable / depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life.

Amortisation begins when the asset is available for use and is in a condition necessary for it to be capable of operating in the manner intended by management.

Amortisation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Impairment

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

Irrespective of whether there is any indication of impairment, the MQA tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing their carrying amounts with their recoverable service amounts.



ACCOUNTING POLICIES

This impairment test may be performed at any time during the reporting period, provided it is performed at the same time every year.

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

An impairment loss is recognised in surplus or deficit, unless the asset is carried at a revalued amount and any impairment loss of a revalued asset is treated as a revaluation decrease.

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

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss is recognised immediately in the surplus or deficit unless the asset is carried at revalued amount, a reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Cost basis

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

ITEM	AVERAGE USEFUL LIFE
Computer software	2 - 3 years

Revaluation basis

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

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

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

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

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

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

Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal.

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



ACCOUNTING POLICIES

1.9 INVENTORIES

Recognition

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

Initial measurement

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

Subsequent measurement

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

Recognition as an expense

When inventories are exchanged or distributed, the carrying amount of those inventories is recognised as an expense when the goods are distributed, or related service is rendered.

The cost of inventories is assigned consistently, using the first-in, first-out (FIFO) or weighted average cost formula for all items of a similar nature and use.

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

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

Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

1.10 LEASES

Finance leases

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

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

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

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

Finance charges arising out of finance lease agreements are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease also gives rise to a depreciation expense for depreciable assets in each accounting period.



ACCOUNTING POLICIES

The depreciation policy for depreciable leased assets is consistent with that for depreciable assets that are owned, and the depreciation recognised is calculated in accordance with the Standard of GRAP on Property, Plant and Equipment.

Where there is no reasonable certainty that the MQA will obtain ownership by the end of the lease term, assets held under finance leases are depreciated over the shorter of the lease term and their useful lives.

Operating leases

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

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

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

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

1.11 BORROWING AND BORROWING COSTS

Borrowings

In terms of section 66(3) (c) of the Public Finance Management Act 1999 as amended, the MQA may,

- Only borrow money through the Minister of Finance; or
- In the case of the issue of a guarantee, indemnity or security, the MQA may only issue such through the Minister of Higher Education and Training, acting with the concurrence of the Minister of Finance

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

Borrowing costs

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

Borrowing costs in respect of qualifying assets

Recognition

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

Borrowing costs are capitalised either when expenditure for qualifying assets is incurred, when the borrowing costs are incurred or when activities that are necessary to prepare the asset for its intended sale are undertaken, whichever occurs first.

Capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended.

Capitalising borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.



ACCOUNTING POLICIES

Measurement

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

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

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

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

Other borrowing costs

Recognition

Other borrowing costs are borrowing costs that are deemed inappropriate to be capitalised. It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirement directly to the nature of the expenditure to be funded, whether capital or current.

Such borrowing costs are expensed to the statement of financial performance in the period they are incurred.

Measurement

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

1.12 EMPLOYEE BENEFITS

Employee benefits comprise of short-term benefits and termination benefits.

Short-term employee benefits

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

The MQA awards the following short term employee benefits:

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

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

The benefits are measured at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service, after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the MQA recognises that excess as an asset.





ACCOUNTING POLICIES

Termination benefits

Termination benefits are employee benefits payable as a result of either the MQA's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and mainly comprise proceeds from a defined contribution plan.

The assets of the defined contribution plan are held by third party trustee-administered funds and are funded by payments from the MQA and its employees.

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

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

1.13 PROVISIONS

Recognition

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

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

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

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

Measurement

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

In reaching the best estimate of a provision, the risks and uncertainties that surround the events and circumstances of each event are taken into account.

Effects of the time value of money

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

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

Future events and gains

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur.

Gains from the expected disposal of assets are not taken into account in measuring a provision.



ACCOUNTING POLICIES

Reimbursements

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

The reimbursement is treated as a separate asset. The amount recognised for the reimbursement may not exceed the amount of the provision.

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

Usage and review

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

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

1.14 COMMITMENTS

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

Commitments are not recognised as a liability in the statement of financial position but are disclosed in the notes to the annual financial statements.

Amounts disclosed in respect of commitments are measured on the basis of the contractual provisions and where applicable expected future escalation may be included to fairly state the liability that will subsequently arise.

1.15 CONTINGENT LIABILITIES

A contingent liability is:

A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;

Or

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

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

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

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



ACCOUNTING POLICIES

1.16 FINANCIAL INSTRUMENTS

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

Financial Assets

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

Financial assets are recognised in the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

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.

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.

The classification depends on the nature and purpose of financial asset and is determined at the time of initial recognition. All financial assets of the MQA are categorised as loans and receivables.

Loans and Receivables

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

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

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

Effective interest rate method

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

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



ACCOUNTING POLICIES

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 cashflows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance for doubtful debts.

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

Cash and cash equivalents are measured at fair value.

Financial Liabilities

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

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.

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 surplus or deficit for the period.

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

Other financial liabilities

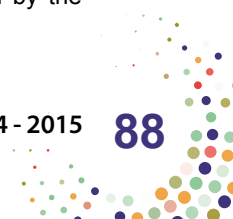
Other financial liabilities are initially measured at the fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

1.17 RESERVES

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

- Administration reserve
- Employer grant reserve
- Discretionary reserve

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Grant Regulations (note 1.3) issued from time to time by the Department of Labour and adopted by the





ACCOUNTING POLICIES

Department of Higher Education and Training 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.

- Administration reserve represents the net book value of property, plant and equipment and other commitments of an administration 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.

1.18 RELATED PARTIES

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

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

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

Transactions are disclosed as other related party transactions where the MQA has, in the normal course of its operations, entered into certain transactions with entities either under the control of the Department of Higher Education and Training or which had a nominated or appointed representative serving on the MQA accounting authority.

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

1.19 COMPARATIVES

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



8.8 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. ALLOCATION OF NET SURPLUS FOR THE YEAR TO RESERVES

2015

	TOTAL PER STATEMENT OF FINANCIAL PERFORMANCE R'000	ADMINISTRATION FUNDS R'000	MANDATORY GRANT FUNDS R'000	DISCRETIONARY GRANTS FUNDS R'000	SPECIAL PROJECTS FUNDS R'000
Total revenue	993,280	121,047	228,926	587,274	-
Skills development levy: income	914,987	121,047	228,926	564,014	-
Admin levy income (10.5%)	119,831	119,831	-	-	-
Public sector levies	1,216	1,216	-	-	-
Grant levy income (69.5%)	793,940	-	228,926	564,014	-
Skills development levy: penalties and interest	22,260	-	-	22,260	-
Donations for special projects	10,385	-	-	-	10,385
Investment income	45,452	-	-	45,452	-
Other income	196	196	-	-	-
Total expenditure	(1,027,782)	(108,231)	(194,789)	(714,377)	(10,385)
Administration expenditure	(108,206)	(108,206)	-	-	-
Finance costs	(25)	(25)	-	-	-
Employer grants and project expenditure	(919,551)	-	(194,789)	(714,377)	(10,385)
Transfers to other Government entities	-	-	-	-	-
Gain/(loss) on disposal of property, plant & equipment	(72)	(72)	-	-	-
Deficit allocated	(34,574)	12,940	34,137	(81,651)	(10,385)

2014

	TOTAL PER STATEMENT OF FINANCIAL PERFORMANCE R'000	ADMINISTRATION FUNDS R'000	MANDATORY GRANT FUNDS R'000	DISCRETIONARY GRANTS FUNDS R'000	SPECIAL PROJECTS FUNDS R'000
Total revenue	937,084	115,146	287,186	521,792	12,960
Skills development levy: income	893,634	114,924	287,186	491,524	-
Admin levy income (10%)	114,522	114,522	-	-	-
Grant levy income (70%)	766,568	-	287,186	479,382	-
Public sector levies	402	402	-	-	-
Skills development levy: penalties and interest	12,142	-	-	12,142	-
Donations for special projects	12,960	-	-	-	12,960
Investment income	30,268	-	-	30,268	-
Other income	222	222	-	-	-
Total expenditure	(823,843)	(89,273)	(494,321)	(370,667)	(12,960)
Administration expenditure	(89,231)	(89,231)	-	-	-
Finance costs	(39)	(39)	-	-	-
Employer grants and project expenditure	(613,916)	-	(230,289)	(370,667)	(12,960)
Transfer to other Government entities	(123,655)	-	-	(123,655)	-
Gain/(loss) on disposal of property, plant & equipment	(80)	(80)	-	-	-
Surplus allocated	110,161	25,793	56,897	27,471	-



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. REVENUE**2015
R'000****2014
R'000**

The amount included in revenue arising from non-exchange transactions is from transfer revenue, no tax revenue was received:

Government grants & subsidies	10,385	12,960
Skills Development Levy: Income	912,986	881,492
Skills Development Levy: Interest and penalties	22,260	12,142
	947,631	906,594

Skills development levy income**Levy income: Administration**

Levies received	124,100	114,373
Levies received from SARS	122,880	113,971
Levies received from DMR	1,216	402
Inter-SETA transfers in	4	-
Movement in levies accrued	(3,054)	551
	121,046	114,924

Levy income: Employer Grants

Levies received	244,315	284,310
Levies received from SARS	244,306	284,310
Inter-SETA transfers in	9	-
Movement in levies accrued	(15,389)	2,876
	228,926	287,186

Levy income: Discretionary Grants

Levies received	570,345	478,385
Levies received from SARS	570,326	478,385
Inter-SETA transfers in	19	-
Movement in levies accrued	(5,330)	997
	565,015	479,382

Interest and penalties : skills development levy income

Levy interest	8,414	5,769
Levy penalties	13,846	6,373
	22,260	12,142



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. INVESTMENT REVENUE**Interest revenue**

	2015 R'000	2014 R'000
Interest received	45,487	30,570
Movement in interest accrued	(35)	(302)
	45,452	30,268

5. OTHER INCOME

Insurance recoveries	92	34
SDL recoveries	-	77
Learning materials & Other recoveries	104	111
	196	222

6. EMPLOYER GRANTS AND PROJECTS EXPENDITURE

Mandatory grants expenditure	194,789	230,289
Disbursed	176,982	272,485
Movement in liabilities and accruals	17,807	(42,196)
Discretionary grants expenditure	660,167	274,396
Disbursed	633,777	118,182
Movement in liabilities and accruals	26,390	(156,214)
Project expenditure	54,210	96,270
Disbursed	98,403	76,491
Movement in liabilities and accruals	(44,193)	19,779
Total employer grants and projects expenditure	909,166	600,955

Project expenditure consists of:

Direct project costs	51,448	93,305
Service provider costs	2,455	2,793
Administration costs	307	172
Total projects expenditure	54,210	96,270



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. ADMINISTRATION EXPENDITURE

	2015 R'000	2014 R'000
Transfer to QCTO	2,505	1,299
Depreciation, amortisation and impairments	2,404	2,542
Operating lease	1,215	3,047
Premises	-	2,685
Plant and equipment	646	362
Maintenance repairs and running costs	1,577	1,581
Property and buildings	883	1,281
Machinery and equipment	694	300
Research and development costs	1,898	1,611
Advertising, marketing, promotions and communications	2,757	2,963
Entertainment	189	104
Consulting and professional fees	5,024	1,809
Legal fees	51	1,030
Cost of employment	60,573	48,835
Travel and Subsistence	11,717	9,806
Staff training and development	2,787	1,688
Remuneration to committee members	593	748
Internal Audit Fees	1,318	1,316
External Audit Fees	2,580	1,805
Printing and stationery	4,184	3,742
Conferences and seminars	2,781	2,295
Insurance	584	461
Rates & Taxes, Water & Electricity and Security	3,428	2,279
Donations and Sponsorships	378	185
Subscriptions and membership fees	23	-
Sundry items	208	88
Total administration expenditure	108,205	89,234

8. COST OF EMPLOYMENT**Salaries and wages**

Basic Salaries	23,636	20,962
Performance awards	6,838	4,078
Other non-pensionable allowance	18,634	15,178
Temporary staff	3,509	2,701
Leave payments	3,465	2,193
	56,082	45,112
Social contributions	3,539	2,915
Pension contributions	187	167
UIF	765	641
Other salary related costs	4,491	3,723
	60,573	48,835
Average number of employees	100	98

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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. FINANCE COSTS

Obligations under finance leases

2015 R'000	2014 R'000
25	39

10. TRANSFERS TO OTHER GOVERNMENT ENTITIES

NSFAS Contributions

- 35,000

National Skills Fund FET support

- 88,655

- 123,655

11. COMPARISON OF BUDGETS AND ACTUALS**2015**

Administration funds - income

113,924 121,046 7,122

Mandatory funds - income

219,375 228,926 9,551

Discretionary funds - income

544,200 597,660 53,460

Investment income

46,557 45,648 (909)

Total income

924,056 993,380 69,224

Administration funds - expenditure

(112,963) (108,304) 4,659

Mandatory funds - expenditure

(197,437) (194,789) 2,648

Discretionary funds - expenditure

(843,360) (724,761) 118,599

Total expenditure

(1,153,760) (1,027,854) 125,906

(Deficit)/Surplus

(229,704) (34,574) 195,130

Capital expenditure (Capex)

(14,817) (5,054) 9,763

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.

The budget is based on anticipated activities, property plant and equipment and intangible assets required to achieve the mandate of the MQA as well as the estimated costs to carry out such activities or acquire such tangible and intangible assets as are necessary to support the achievement of its mandate.

The approved budget includes only the activities of the MQA and is for the period 01 April 2014 to 31 March 2015.

The approved budget was revised in January 2015 to adjust for revenue trends observed during the first six months of the financial year.

The revision of the approved budget resulted in a final budget which had items of revenue, mandatory grants expenditure and discretionary grants expenditure increased or higher than the original approved budget.

MATERIAL DIFFERENCES BETWEEN THE REVISED BUDGET AND ACTUAL AMOUNTS**Skills Development levy income**

The actual levy income is higher than the approved revised budget by 7% which can be attributable to improved industry conditions. Moreover, this trend was observed during the 3rd and 4th quarter of financial hence the budget was revised again in January 2015.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11. COMPARISON OF BUDGETS AND ACTUALS**Investment income**

The MQA invest excess funds in various interest bearing portfolios with major reputable banks. The interest received is more or less within the projected budget after careful monitoring of expenditure trends and accurate projections. In addition to this, the labour unrest in the entire sector resulted in more unclaimed and unpaid discretionary grants as evidenced by the increase in grants payable hence higher interest received as compared to previous year.

Administration expenditure

Actual expenditure to date is below the budget and this can be attributed to strict budget monitoring controls in place to prevent spending beyond approved limit. In addition to this, the MQA embraced and responded positively to the call by the Minister of Finance to the public sector to implement cost cutting measures.

Mandatory grants expenditure

The shortfall of actual expenditure over the revised budget is attributed to matching of receipts and payments due to delays in mandatory grants transfer

Discretionary grants expenditure

Discretionary expenditure under expenditure in this regard compared to the budget and prior year actual in the same period can be attributed to a revised contracting process in line with the New Grants Regulations which require that a contract – signed by both parties – should be in place before commitment is recognised and payment can be made, however, the difference is committed.

Capital expenditure

The variance mainly relates to delays in the refurbishment of certain areas of our newly acquired building. These arose from delays in obtaining certain approvals from the relevant authorities.

12. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	COST / VALUATION R'000	ACCUMULATED DEPRECIATION AND IMPAIRMENT R'000	CARRYING VALUE R'000	COST / VALUATION R'000	ACCUMULATED DEPRECIATION AND IMPAIRMENT R'000	CARRYING VALUE R'000
Office furniture	3,042	(1,439)	1,603	2,591	(1,452)	1,139
Motor vehicles	878	(382)	496	878	(321)	557
Office equipment	2,334	(1,040)	1,294	2,194	(1,124)	1,070
Computer equipment	3,607	(1,750)	1,857	3,202	(2,489)	713
Fixtures and Fittings	5,539	(1,195)	4,344	5,512	(643)	4,869
Office Building	54,076	(2,495)	51,581	51,794	(747)	51,047
Cellphones	580	(266)	314	269	(150)	119
Total	70,056	(8,567)	61,489	66,440	(6,926)	59,514



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT**Reconciliation of property, plant and equipment - 2015**

	OPENING CARRYING AMOUNT R'000	ADDITIONS R'000	DISPOSALS R'000	DEPRECIATION R'000	IMPAIRMENT R'000	CLOSING CARRYING AMOUNT R'000
Office furniture	1,139	650	(16)	(235)	65	1,603
Motor vehicles	557	-	-	(112)	51	496
Office equipment	1,070	524	(123)	(348)	171	1,294
Computer equipment	713	516	(25)	(358)	1,011	1,857
Fixtures and Fittings	4,869	32	(5)	(552)	-	4,344
Office Building	51,047	2,282	-	(1,748)	-	51,581
Cellphones	119	474	(36)	(243)	-	314
	59,514	4,478	(205)	(3,596)	1,298	61,489

Reconciliation of property, plant and equipment - 2014

	OPENING CARRYING AMOUNT R'000	ADDITIONS R'000	DISPOSALS R'000	ACCUMULATED DEPRECIATION ON DISPOSALS R'000	DEPRECIATION CHARGE R'000	CLOSING CARRYING AMOUNT R'000
Office furniture	742	590	(325)	290	(158)	1,139
Motor vehicles	185	407	-	-	(35)	557
Office equipment	932	556	(568)	532	(382)	1,070
Computer equipment	792	432	(187)	167	(491)	713
Fixtures and Fittings	4,774	601	-	-	(506)	4,869
Office Building	-	51,794	-	-	(747)	51,047
Cellphones	97	152	(98)	82	(114)	119
	7,522	54,532	(1,178)	1,071	(2,433)	59,514

	2015 R'000	2014 R'000
Assets subject to finance lease (Net carrying amount)		
Office equipment	186	102
Cost of items fully depreciated		
Computer equipment	1,560	1,833
Office furniture	532	776
Office equipment	453	508
Intangible assets	86	177
	2,631	3,294

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

The MQA has reviewed the residual values and useful lives of all the items of property, plant and equipment. The review of the useful lives and residual values highlighted the need for adjustments to the useful lives and residual values of property, plant and equipment items which was conducted and effected accordingly.

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 the title of property, plant and no items have been pledged as security for liabilities.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. INTANGIBLE ASSETS

	2015			2014		
	COST / VALUATION R'000	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R'000	CARRYING VALUE R'000	COST / VALUATION R'000	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R'000	CARRYING VALUE R'000
Computer software	1,315	(470)	845	739	(366)	373

Reconciliation of intangible assets - 2015

	OPENING CARRYING AMOUNT R'000	ADDITIONS R'000	AMORTISATION R'000	IMPAIRMENT LOSS R'000	CLOSING CARRYING AMOUNT R'000
Computer software	373	576	(169)	65	845

Reconciliation of intangible assets - 2015

	OPENING CARRYING AMOUNT R'000	ADDITIONS R'000	AMORTISATION R'000	CLOSING CARRYING AMOUNT R'000
Computer software	210	272	(109)	373

14. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2015 R'000	2014 R'000
Pre-payments	252	269
Free Minutes Receivable	-	225
Deposits	1	215
Staff Advances	111	47
Interest receivable - MQA	520	555
Other receivables	12	22
	896	1,333

15. INVENTORIES

Consumable stores	427	247
Inventories recognised as an expense during the year	332	719



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2015 R'000	2014 R'000
INTER-SETA receivables	76	74
Administration	9	9
Employer grants	48	46
Discretionary grants	19	19
Mandatory grants receivables	6,206	8,279
Donor funding receivables	10,465	11,220
	16,747	19,573

Mandatory grants receivables**Overpayment of mandatory grants to registered employers**

Overpayments to employers	7,293	8,774
Provision for doubtful debts	(1,251)	(562)
Net effect of SARS retrospective adjustments	6,042	8,212
Mandatory grants receivable from other SETAs	164	67
	6,206	8,279

R6 million (2014 : R8 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 million (2014 : R562 thousand) has been raised.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash at bank and in hand	670,860	721,621
Cash at bank	670,860	721,607
Cash on hand	-	14
Short-term investments/instruments	49,154	8,693
	720,014	730,314

Included in cash at bank is a current account with a balance of R10 thousand (2014: R6 thousand) in respect of donor funds.

The funds were received from the Unemployment Insurance Fund for the purposes of artisans development. The funds may not be used for any purposes except for purposes specified in a service level agreement.

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

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

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



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CASH AND CASH EQUIVALENTS**2015
R'000****2014
R'000****Borrowings/Loans**

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

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

No such borrowings were entered into during the year.

18. FINANCE LEASE OBLIGATION

Non-current finance lease obligation (recoverable after 12 months)	165	52
Current finance lease obligation (recoverable within 12 months)	234	65
Finance lease obligation	399	117

Reconciliation between the total of the minimum lease payments and the present value:**Up to 1 Year**

Future minimum lease payments	263	84
Finance cost	(29)	(19)
Present value	234	65

1 to 5 years

Future minimum lease payments	172	56
Finance cost	(7)	(4)
	165	52

Assets held under finance leases comprise photocopiers and PABX equipment which have been capitalised and classified as office equipment under property, plant and equipment.

The lease agreements were entered into in February 2014 for a period of 2 years and the interest rate in the agreements are linked to the prime lending rate.

The interest rates implicit in the agreements are 15.21% and 21.62% in respect of a photocopiers and PABX equipment respectively and were used as a basis for calculating finance costs.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. RETIREMENT BENEFIT OBLIGATIONS
2015
R'000
2014
R'000
Defined contribution plan

The MQA operates a defined contribution umbrella 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 22% (2014:17.75.35%).

Included in defined contribution plan information above, is the following plan which is a Multi-Employer Fund and is a Defined Benefit Plan, but due to the fact that sufficient information is not available to enable the entity to account for the plan as a defined benefit plan. The entity accounted for this plan as a defined contribution plan.

20. GRANTS AND TRANSFERS PAYABLE

Skills development grants payable - mandatory	39,640	23,906
Skills development grants payable - discretionary	128,477	164,134
Donor payables	680	2,910
	168,797	190,950

21. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	2,062	2,122
Project creditors	5,571	49,764
Trade creditors accruals	468	995
Cellphone Contracts Obligation	315	331
Payroll creditors and accruals	5,989	3,482
	14,405	56,694

22. GOVERNMENT GRANTS AND DONOR FUNDING**Donor Funds**

Draw downs and interest received	11,140	12,060
Donor funding received	(80)	1,740
Donor Receivable	11,220	10,320
Draw downs receivable - conditions met	10,465	11,220
Draw downs receivable at the beginning of the year	(11,220)	(10,320)
Utilised and recognised as revenue-conditions met - current	(10,385)	(12,960)
	-	-

During the current year R11 million (2014 : R1,740 thousand) was received from donor funds in respect of the development of artisans in partnership with the MQA.

R10 million (2014: R13 million) was utilised and recognised as revenue as conditions for recognition as revenue were met.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. PROVISIONS**Reconciliation of provisions - 2015**

	OPENING BALANCE R'000	UTILISED DURING THE YEAR R'000	CHANGE IN ESTIMATES R'000	REVERSED DURING THE YEAR R'000	ADDITION R'000	TOTAL R'000
SARS Creditors -						
Administration	261	-	2,970	-	-	3,231
SARS Creditors - Mandatory	1,184	-	14,970	-	-	16,154
SARS Creditors -						
Discretionary	627	-	5,834	-	-	6,461
Administration provisions	4,781	2,534	1,060	-	3,450	6,757
Discretionary and projects	72,893	(38,534)	5,986	(30,174)	124,769	134,940
	79,746	(41,068)	30,820	(30,174)	128,219	167,543

Reconciliation of provisions - 2014

	OPENING BALANCE R'000	UTILISED DURING THE YEAR R'000	CHANGE IN ESTIMATES R'000	REVERSED DURING THE YEAR R'000	ADDITION R'000	TOTAL R'000
SARS Creditors -						
Administration	812	-	(551)	-	-	261
SARS Creditors - Mandatory	4,060	-	(2,876)	-	-	1,184
SARS Creditors -						
Discretionary	1,624	-	(997)	-	-	627
Administration provisions	2,645	(2,295)	(151)	-	4,582	4,781
DHET Overpayment	29,160	(29,160)	-	-	-	-
Discretionary and projects	43,578	(24,988)	-	(16,458)	70,761	72,893
	81,879	(56,443)	(151)	(21,178)	75,343	79,746

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.

Administration Provision

Provisions mainly consisting of provision for performance bonus for the financial year. For the purpose of payment of bonuses are finalised and are payable subsequent to year end.

Discretionary and projects provision

The MQA pays discretionary grants in tranches depending on the duration of the programme. These provisions are as a result of grant claims which were due before 31 March 2015.

The disbursement of these grants is dependent upon employer confirmations and learner verification conducted before disbursement.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. CASH (USED IN) GENERATED FROM OPERATIONS

	2015 R'000	2014 R'000
(Deficit) surplus	(34,574)	110,161
Adjustments for:		
Depreciation and amortisation	2,404	2,542
Loss/ (Gain) on sale of assets and liabilities	72	80
Movements in provisions	87,767	(2,133)
Changes in working capital:		
Inventories	(180)	(27)
Receivables from exchange transactions	437	6,015
Other receivables from non-exchange transactions	2,826	9,084
Payables from exchange transactions	(42,289)	19,766
Taxes and transfers payable (non-exchange)	(22,153)	75,738
	(5,690)	221,226

25. CONTINGENCIES**Mandatory grant reserve**

A balance of R1 million (2014: R292 thousand) has been set aside in terms of the accounting policy.

The amount of the outflow depends on the new employer's awareness about the provisions of the grants regulations that entitle them to claim the grants within six months of their first registration as employers for the purposes of the Skills Development Levies Act.

The employers have until 30 September 2015 to claim the mandatory grants after which they expire and will be swept to the discretionary funds in terms of the grants regulations.

Litigation

Management is not aware of any impending legal action against the MQA.

26. COMMITMENTS**Administration reserve**

A balance of R62,334 thousand (2014 : R59,887 thousand) has been set aside in terms of the accounting policy as follows.

Net assets	62,752	59,887
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Discretionary reserve

Of the balance of R386 million (2014: R424 million) available in the discretionary reserve on 31 March 2015, R766 million (2014: R678 million) has been approved and allocated for future projects and skills priorities as set out below. Amounts for expenses that have already been contracted or incurred, and therefore included in grant expenses in the statement of financial performance, are indicated as utilised.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	OPENING BALANCE 2014 R'000	REALLOCATIONS APPROVED BY ACCOUNTING AUTHORITY R'000	UTILISED R'000	OPENING BALANCE 2015 R'000	REALLOCATIONS APPROVED BY ACCOUNTING AUTHORITY R'000	UTILISED R'000	TOTAL R'000
26. COMMITMENTS (CONTINUED)							
PROGRAMMES:							
MQA-001-Lecturer / Trainer Support	2,046	33,830	(10,190)	25,686	(1,034)	(10,353)	14,299
MQA-002-Bursaries	52,446	20,428	(58,038)	14,836	126,518	(78,237)	63,117
MQA-003-Work Experience	43,452	68,180	(47,264)	64,368	92,007	(69,027)	87,348
MQA-005-Minerals Beneficiation (Diamond & Jewellery)	963	4,949	(5,912)	-	-	-	-
MQA-007-Standard Setting Grant (TRGs)	-	915	(860)	55	1,888	(1,673)	270
MQA-009-Learning Materials Development	-	4,015	(4,015)	-	4,001	(3,987)	14
MQA-010-Internships (GDP)	38,276	150,507	(55,045)	133,738	227,929	(121,527)	240,160
MQA-011-Learnerships	43,396	33,292	(44,271)	32,417	97,184	(72,341)	57,260
MQA-012-SME Skills Development Support	-	(85)	85	-	-	-	-
MQA-014-ISO 9001-2000	181	(181)	-	-	-	-	-
MQA-018-Skills Development Facilitator Support	-	2,843	(2,843)	-	1,000	(1,000)	-
MQA-019-ABET	-	10,900	(10,900)	-	14,718	(14,718)	-
MQA-020-Skills Development Research & Impact Analysis	-	1,074	(1,074)	-	-	-	-
MQA-023-Literacy Promotion	-	468	(468)	-	-	-	-
MQA-024-OHS Rep Development	-	11,492	(11,492)	-	12,498	(12,498)	-
MQA-026-Artisan Development	7,920	(6,020)	(1,580)	320	(120)	-	180
MQA-027 Employed and Unemployed Artisan Development	60,670	92,354	(30,857)	122,167	204,349	(59,065)	263,414
MQA-030-Maths & Science	-	7,565	(7,565)	-	7,401	(2,836)	4,565
MQA-031-Mine Inspector Training	3,716	(3,205)	(511)	-	-	-	-
MQA-035 Learners with Disabilit-MQA Proj-Direct	5,592	5,014	(6,494)	4,112	3,424	(7,536)	-
MQA-037-Facilitator Development	-	820	(820)	-	-	-	-
MQA-038 FLC-MQA Proj-Direct Costs	-	1,105	(1,105)	-	1,720	(1,720)	-
MQA-040-Standard Setting HET	-	2,289	(2,289)	-	570	(570)	-
MQA-041-HDSA Development	-	882	(882)	-	360	(360)	-
MQA-042-UJIF Artisan Development Partnership	29,265	19,715	(25,920)	23,060	3,705	(10,385)	8,970
MQA-043-ABET Practitioner Career Progression	1,747	2,534	(4,281)	-	-	-	-
MQA-045-Mine Comm Cap Bldg-MQA Proj-Direct Costs	-	-	-	-	36,911	(25,219)	11,691
MQA-044-Workplace Coach Development	-	-	-	-	9,042	(9,042)	-
MQA-050-Mpumalanga FET Artisan Development	23,398	(815)	(6,993)	15,590	6	(9,091)	6,505
MQA-051-Unemployed Artisan Development	70,600	210,451	(39,546)	241,505	(48,474)	(193,031)	-
MQA-052-Employed Artisan Aides	1,455	840	(2,295)	-	3,133	(3,133)	-
MQA-A21 Youth Development Project	-	-	-	-	15,619	(7,029)	8,590
	385,123	676,156	(383,425)	677,854	814,346	(714,378)	766,383



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**Irregular 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 2015.

Material losses through criminal conduct:

None

Material losses through fraud

The MQA suffered a loss of R62 000 due to fraud in a matter involving an individual posing him/herself as an MQA employee at one of the reputable banks. Although the loss is immaterial, the matter was reported accordingly and is being investigated. The MQA has also engaged its insurance company to try to recoup the money.

Fruitless and wasteful expenditure

None

28. 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.

Year ended 31 March 2015**Assets**

	AMOUNT R'000	EFFECTIVE INTEREST RATE %	AMOUNT R'000	WEIGHTED AVERAGE PERIOD UNTIL MATURITY YEARS	TOTAL R'000
Cash	720,014	5.00 %	-	-	720,014
Accounts receivable	-	0 %	896	1 year	896
Total financial assets	720,014	5.00 %	896		720,910

Liabilities

Accounts payable	-	0 %	(14,405)	0.5 years	(14,405)
Total financial liabilities	-	0 %	(14,405)		(14,405)
	<u>720,014</u>		<u>(13,509)</u>		<u>706,505</u>

Year ended 31 March 2014**Assets**

Cash	730,300	5.50 %	14	-	730,314
Accounts receivable	-	0 %	1,333	1 year	1,333
Total financial assets	730,300	5.50 %	1,347		731,647

Liabilities

Accounts payable	-	0 %	(56,686)	0.5 years	(56,686)
Total financial liabilities	-	0 %	(56,686)		(56,686)
	<u>730,300</u>		<u>(55,339)</u>		<u>674,961</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28. FINANCIAL INSTRUMENTS**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

Past due 31 - 120 days

2015		2014	
GROSS R'000	IMPAIRMENT R'000	GROSS R'000	IMPAIRMENT R'000
16,747	-	19,573	-

Cash & cash equivalents

Not past due

2015		2014	
GROSS R'000	IMPAIRMENT R'000	GROSS R'000	IMPAIRMENT R'000
720,014	-	730,314	-

Liquidity risk

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

At 31 March 2015

Trade and other payables

LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS
8,101	8,101	8,101	-

At 31 March 2014

Trade and other payables

LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS
59,040	59,040	59,040	-

Market risk

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

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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28. 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 current rates available for debt with the same maturity profile and effective interest rate with similar cash flows (where applicable).

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

Accounts payable

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

29. NEW STANDARDS AND INTERPRETATIONS

29.1 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 or may not have an impact on future financial statements.

GRAP 18 - Segment Reporting:

The standard was issued in February 2011 and has been effective for the periods beginning 1 April 2015.

This standard prescribes the disclosure to present more specific and detailed information about major activities undertaken by an entity during a particular period, along with the resources allocated to those activities. MQA already reports on revenue and expenditure per segment. Although the format of the reporting could change, we do not foresee major disclosure changes.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29. NEW STANDARDS AND INTERPRETATIONS

GRAP 20 : Related Party Disclosure

The standard effective date is not yet determined.

This standard prescribes the disclosure of information relevant to draw attention to the possibility that the Seta financial position and surplus/deficit may have been affected by the existence of related parties.

It is not expected that this standard will significantly impact on future disclosures as the current disclosures are based on GRAP 20.

GRAP 21 : Impairment of Non Generation Assets

The standard was issued in March 2009 and has been effective for the periods beginning 1 April 2014.

This standard prescribes the accounting treatment for the impairment of non-cash generating assets and does not significantly differ from IAS 36 except for some terminology differences.

It is not expected that this standard will significantly impact on future disclosures.

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

The standard was issued in February 2008 and has been effective for the periods beginning 1 April 2014.

The standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions. Accounting policies have been amended to clearly distinguish between exchange and non exchange transactions.

It is not expected that the initial application will significantly impact on the Seta's financial statements.

GRAP 24 : Presentation of Budget Information in Financial Statements

The standard was issued in November 2007 and has been effective for the periods beginning 1 April 2014.

The standard prescribes the presentation of a comparison of budget and actual amounts in the financial statements of entities that are publicly accountable for the use of their funds. The presentation may be in the form of additional financial statements or additional budget columns in their financial statements.

The standard becoming effective is not expected to significantly impact on future disclosures since we have applied the principles outlined in GRAP 24 to inform our current disclosure

GRAP 25 : Employee Benefits

The standard was issued in November 2009 and will be effective for the periods beginning 1 April 2015.

This standard prescribes the accounting treatment for employee benefits. The changes prescribed from the current applicable standard relate mainly to the accounting requirements of defined benefit plans and as such is not expected to significantly impact on the current accounting policies or disclosures.

GRAP 104: Financial Instruments

The standard was issued in October 2009 and will be effective for the periods beginning 1 April 2015.

This standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments and makes significant modifications to the principles in the previous standards applied in order to:

- simplify the recognition, measurement and disclosure of financial instruments; and
- accommodate the types of financial instruments entered into in the public sector. It is not expected that this standard will significantly impact on future disclosures.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29. NEW STANDARDS AND INTERPRETATIONS

GRAP 108 : Statutory Receivables

The standard effective date is not yet determined.

The standard prescribes the accounting treatment of receivables that arise from legislation, supporting regulations, or similar means.

It is not expected that this standard will significantly impact on future disclosures.

The following Standards and Interpretations have been issued but are not yet effective, or are not applicable to the SETA and will not have an impact on future financial statements.

GRAP 105 : Transfer of Functions between Entities under Common Control

The standard was issued in November 2010 and will be effective for the periods beginning on or after 01 April 2015.

It provides principles for recognition, measurement, presentation and disclosure by the acquirer and transferor in a transfer of functions between entities under common control.

It is not expected that the standard will significantly impacts future disclosure because the MQA has been re-established as it is for the next 5 years to 2016 and under the existing legislation, no transfer of functions to or from the MQA are expected.

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

The standard was issued in November 2010 and will be effective for the periods beginning on or after 01 April 2015.

It provides principles for recognition, measurement, presentation and disclosure by the acquirer in a transfer of functions between entities not under common control.

It is not expected that the standard will significantly impacts future disclosure because the MQA has been re-established as it is for the next 5 years to 2016 and under the existing legislation no transfer of functions to or from the MQA are expected.

GRAP 107 : Mergers

The standard was issued in November 2010 and will be effective for the periods beginning on or after 01 April 2015.

It provides principles for recognition, measurement, presentation and disclosure by the combined entity and combining entities in a merger.

It is not expected that the standard will significantly impacts future disclosure because the MQA has been re-established as it is for the next 5 years to 2016 and under the existing legislation no mergers with other entities are expected.

GRAP 32 : Service Concession Arrangements : Grantor - Not yet determined

The standard effective date is not yet determined.

It prescribes the recognition, measurement, presentation and disclosure of assets and liabilities arising from granting rights to use service concession assets to an operator to provide a mandated function.

It is not expected that the standard will significantly impact on future accounting and disclosure as its requirements do not significantly differ from the requirements in respect of other assets and liabilities.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

30. RELATED PARTIES

Sector Education and Training Authorities & Other public entities

SETAs

	2015		2014	
	MOUNT RECEIVABLE/ (PAYABLE) R'000	TRANSFERS IN/(OUT) DURING THE YEAR R'000	AMOUNT RECEIVABLE/ (PAYABLE) R'000	TRANSFERS IN/(OUT) DURING THE YEAR R'000
EWSETA	-	-	4	-
SERVICES SETA	70	-	70	-
AGRISSETA	-	-	-	12
W&R SETA	-	-	-	8
	70	-	74	20

Inter-Seta transactions and balances arise due to the movement of employers from one SETA to another and levies due from the SETA to which the MQA contributes its levies and submits its WSP/ATR. No other transactions occurred during the year with other SETAs.

Other transactions with other public entities

	2015		2014	
	MOUNT RECEIVABLE/ (PAYABLE) R'000	TRANSFERS IN/(OUT) DURING THE YEAR R'000	AMOUNT RECEIVABLE/ (PAYABLE) R'000	TRANSFERS IN/(OUT) DURING THE YEAR R'000
Unemployment Insurance Fund	1,620	(80)	11,220	1,740
ETDP SETA	-	67	-	67

Related party transactions

2015 STAKEHOLDER REPRESENTED

BOARD MEMBER

		LEVIES RECEIVED R'000	PAYMENTS R'000	GRANTS / AMOUNTS PAYABLE R'000	GRANTS OVERPAID (RECEIVABLES) R'000
Harmony Gold Mine	M Mashego	44,768	25,447	75	377
Colliery Training College	J Venter	463	10,106	300	-
Chamber of Mines	V Mabena	464	4,456	-	-
Anglo Platinum	L Mogaki	51,084	54,622	40	-
National Union of Mineworkers	F Letlala, A Teteme, Z Tantsi	-	95	-	-
Elijah Barayi Training Centre	Z Tantsi	-	283	-	-
		96,779	95,009	415	377

2014 STAKEHOLDER REPRESENTED

BOARD MEMBER

		LEVIES RECEIVED R'000	PAYMENTS R'000	GRANTS / AMOUNTS PAYABLE R'000	GRANTS OVERPAID (RECEIVABLES) R'000
Harmony Gold Mine	M Mashego	42,040	23,623	1,237	382
Colliery Training College	J Venter	463	6,816	70	-
Chamber of Mines	V Mabena	466	3,000	-	-
Anglo Platinum	L Mogaki	73,108	17,414	1,110	2,283
National Union of Mineworkers	F Letlala, A Teteme, Z Tantsi	-	39	-	-
		116,050	50,892	2,417	2,665

31. SUBSEQUENT EVENTS

No subsequent events occurred that resulted in material adjustments or require disclosure in the Annual Financial Statements.

ACRONYMS

AA	Affirmative Action	NC	National Certificate
ABE	Adult Basic Education	NCV	National Certificate (Vocational)
AET	Adult Education and Training	NGO	Non-governmental Organisation
AEL	Adult Education and Learning	NLRD	National Learners' Record Database
AFS	Annual Financial Statements	NPO	Non-profit Organisation
AIDS	Acquired Immune Deficiency Syndrome	NQF	National Qualifications Framework
ATR	Annual Training Report	NRF	National Research Foundation
AQP	Assessment Quality Partner	NSA	National Skills Authority
BBBEE	Broad Based Black Economic Empowerment	NSB	National Standards Body
BEE	Black Economic Empowerment	NSDS	National Skills Development Strategy
CBO	Community-Based Organisation	NSF	National Skills Fund
CEO	Chief Executive Officer	NSA	National Skills Authority
CEP	Communities of Expert Practice	NUM	National Union of Mineworkers
CHE	Council for Higher Education	NUMSA	National Union of Metal Workers of South Africa
CLAS	Cement, Lime, Aggregates and Sand	OFO	Organising Framework for Occupations
CoM	Chamber of Mines	OHS	Occupational Health and Safety
CRMEO	Chief Risk, Monitoring and Evaluation Officer	OQF	Occupational Qualification Framework
CoMTT	Classification of Mines Task Team	OQDF	Occupational Qualification Development Facilitator
DEA	Department of Environmental Affairs	PDI	Previously Disadvantaged Individuals
DHET	Department of Higher Education and Training	PFMA	Public Finance Management Act
DoF	Department of Finance	PGM	Platinum Group of Metals
DoL	Department of Labour	PIVOTAL	Professional, Vocational, Technical and Academic Learning Programmes
DMR	Department of Mineral Resources	PSDF	Provincial Skills Development Forum
DQP	Development Quality Partner	PWD	People with Disability
DVD	Digital Versatile Disk	QCTO	Quality Council for Trades and Occupation
ECSA	Engineering Council of South Africa	RPL	Recognition of Prior Learning
EE	Employment Equity	SA	South Africa
EMCS	Executive Manager Corporate Services	SAQA	South African Qualifications Authority
EMSR	Executive Manager Stakeholder Relations	SDA	Skills Development Act, 1998 (Act 97 of 1998)
EPP	Executive Preparation Programme	SDF	Skills Development Facilitator
ETD	Education, Training and Development (Practitioners)	SDL	Skills Development Levy
ETQA	Education and Training Quality Assurance	SDR	Skills Development and Research
EXCO	Executive Committee	SETA	Sector Education and Training Authority
FETC	Further Education and Training Certificate	SGB	Standards Generating Body
FET	Further Education and Training now TVET Colleges	SIC	Standard Industrial Classification
FLC	Foundational Learning Component	SLA	Service Level Agreement
FOG	Falls of Ground	SOC	Standard Occupational Classification
HDI	Historically Disadvantaged Individuals	SOPF	Sector Occupational Pathway Framework
HDSA	Historically Disadvantaged South African	SPR	Skills Planning and Research
HET	Higher Education and Training	SQCG	Standards and Qualifications Co-ordinating Group
HRDSA	Human Resources Development Strategy for South Africa	SSP	Sector Skills Plan
ILD	International Literacy Day	ToR	Terms of Reference
ISO	International Organisation for Standardisation	TRG	Technical Reference Group
MHS	Mine Health and Safety	TVET	Technical, Vocational Education and Training (ex FET) Colleges
MHSA	Mine Health and Safety Act	UASA	United Association of South Africa
MHSC	Mine Health and Safety Council	Umalusi	Umalusi Council for General and Further Education and Training
MIS	Management Information System	UNISA	University of South Africa
MMS	Mining and Minerals Sector	VAT	Value Added Tax
MPRDA	Mineral and Petroleum Resources Development Act	WSP	Workplace Skills Plan
MQA	Mining Qualifications Authority		
NATED	National Technical Education		



Physical Address

7 Anerley Road
Parktown
Johannesburg
2193

E-mail: info@mqa.org.za
Tel: 011 547 2600
www.mqa.org.za

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