



Annual Report

2020/2021

Moving forward with skills development amidst the “New Normal” >>>



**mineral resources
& energy**

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



MINING QUALIFICATIONS AUTHORITY

Moving forward with skills development amidst the “New Normal” >>>

Mining Qualifications Authority

ANNUAL REPORT 2020-2021

HONOURABLE MINISTERS, IT IS A PLEASURE TO PRESENT YOU WITH THE ANNUAL REPORT OF THE
MINING QUALIFICATIONS AUTHORITY FOR THE FINANCIAL YEAR
1 APRIL 2020 TO 31 MARCH 2021



Mr Gwede Mantashe
Minister of Mineral Resources and Energy



Mr David Msiza
Chairperson



Dr Blade Nzimande
Minister of Higher Education, Science and Innovation



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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



Integrity



Accountability



Continuous Learning



Stakeholder Orientation
(Batho Pele)



Respect



Service Excellence



Value for money

Promote efficient and effective governance and administration.

1

Improve skills development planning and decision making through research.

2

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

3

STRATEGIC OBJECTIVES

4

Facilitate access to occupationally directed learning programmes for the unemployed.

5

Support training initiatives in mine communities.

6

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

LEGISLATIVE AND OTHER MANDATES

The Mining Qualifications Authority (MQA) is a Sector Education and Training Authority (SETA) that facilitates skills development under the Department of Higher Education and Training (DHET) and supports mine health and safety under the Department of Mineral Resources and Energy (DMRE) for the mining and minerals sector. Various pieces of legislation govern the operations of the MQA. These are listed below:

THE MQA'S LEGISLATIVE MANDATE

Ministry of Mineral Resources and Energy

- Mine Health and Safety Act (MHSA), Act No. 29 of 1996
- Minerals and Petroleum Resources Development Act (MPRDA), Act No. 8 of 2002, as amended
- Social and Labour Plan

Ministry of Higher Education, Science and Innovation

- Skills Development Act (SDA), Act No. 97 of 1998
- Skills Development Levies Act, Act No. 9 of 1999
- Higher Education Act, Act No. 101 of 1997, as amended
- National Student Financial Aid Scheme (NSFAS) Act, Act No. 57 of 1999
- Adult Education and Training Act, Act No. 52 of 2000
- Adult Education and Training Colleges Act, Act No. 16 of 2006
- Further Education and Training Colleges Act, Act No. 16 of 2006
- National Qualifications Framework Act, Act No. 67 of 2008

Ministry of Finance

- Income Tax Act, Act No. 58 of 1962, Section 12H: Learnership Allowances
- Public Finance Management Act (PFMA), Act No. 1 of 1999

Relevant regulations

In addition to the legislation listed above, national policy documents guide the development of skills in the sector. These are the National Skills Development Plan (NSDP) 2020-2030, the New Growth Path, the National Skills Accord, the Mining and Minerals Sector Skills Plan (SSP), the King IV Report and the Code on Corporate Governance, the Protocol on Corporate Governance in the Public Sector (2002), the Companies Act, Act No. 71 of 2008, and all the MQA's policies and procedures.

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SECTION 1: GENERAL INFORMATION



1.1. STRATEGIC OVERVIEW BY THE CHAIRPERSON



Mr David Msiza
Chairperson

As the Chairperson of the Mining Qualifications Authority Board, I am pleased to present to you, on behalf of the governing MQA Board, the annual report for the financial year 1 April 2020 to 31 March 2021.

In these increasingly challenging times, where covid-19 has had a seemingly insurmountable impact on the global community, including our country, it remains a privilege for me to be able to present this report to the Honourable Minister of Higher Education, Science and Innovation, Dr Bonginkosi Nzimande, the Honourable Minister of Mineral Resources and Energy, Mr Gwede Mantashe, various industry stakeholders, employees, organised business and labour, as well as organisations in the mining and minerals sector.

The MQA's stability remains firm, with the organisation demonstrating commitment towards harnessing a mandate that focuses on quality skills development training to transform the mining and minerals sector.

As a public entity, it is guided by National Treasury in terms of the PFMA (Act No. 1 of 1999, as amended by Act No. 29 of 1999), which requires appropriate control measures to be put in place to safeguard the MQA against risks that may impede the organisation from delivering on its mandate. This is achieved through the powers that have been conferred on the Board to exercise responsibility over the core functions of the MQA. Furthermore, the Board and its supporting committees are fully functional and support the strategic mandate of the MQA in their respective operational and technical capacities.

This is further demonstrated through the following six strategic objectives that are aligned to the MQA's legislative mandate:

- Promote efficient and effective governance and administration.
- Improve skills development planning and decision making through research.



- Promote work-based skills development to support transformation in the mining and minerals sector.
- Facilitate access to occupationally directed learning programmes for the unemployed.
- Support mine community training initiatives to access economic opportunities.
- Ensure the delivery of quality learning programmes in the mining and minerals sector.

The MQA continued to implement and maintain the principles of good corporate governance in its operations during the year under review. As a result, the organisation achieved an unqualified audit opinion for the 2020-2021 financial year, which has been acknowledged by the office of the Auditor-General of South Africa (AGSA).

The MQA's Audit and Risk Committee (ARC) exercised its fiduciary charge over identified risks and ensured that there were no deficiencies in internal controls during the period under review. The ARC's focus highlighted good corporate governance principles in pursuit of sound financial management practices. The MQA's risk strategy and fraud prevention campaign, including the MQA's toll-free hotline, where the public and stakeholders can report fraudulent activities in absolute confidentiality, continues to ensure sound monitoring of the MQA's activities.

Highlights

One year into the DHET's recently established SETA landscape, which came into effect on 1 April 2020, the emergence of superior skills development initiatives is still poised to form the crux of this newly chartered landscape.

For this reason, the MQA affirms its support for the following outcomes:

- Outcome 1: Identify and increase production of occupations in high demand
- Outcome 2: Linking education and the workplace
- Outcome 3: Improving the level of skills in the South African workforce
- Outcome 4: Increase access to occupationally directed programmes
- Outcome 5: Support the growth of the public college system
- Outcome 6: Skills development support for entrepreneurship and co-operative development

- Outcome 7: Encourage and support worker-initiated training
- Outcome 8: Support career development services

The impact of the covid-19 pandemic proved to be one of 2020's major health, environmental and economic disruptors, affecting lives and livelihoods the world over. The reverberations of the pandemic, in addition to the slow state of the country's economic growth, extended to the mining and minerals sector, and compromised the sector's value chain of supply and demand, as well as its ongoing ability to remain profitable.

In such instances, the sector's capacity to provide learning opportunities to its employees is often hindered, and limits the sector's willingness to supplement and further develop its employees' skills. However, despite this challenge, the MQA accomplished most of the objectives that were outlined during the year under review by positively administering various skills development-related targets.

The role of technology and its transformative nature has become urgent and is slowly becoming a standard feature in conducting business, as well as achieving learning deliverables. This was well demonstrated by the MQA through the various stakeholder-focused engagements the organisation successfully hosted by means of virtual communication platforms.

These included the virtual Annual Consultative Conference on 29 February 2021, the Stakeholder Engagement Webinar on 12 March 2021, the Learning Programmes Implementation Workshop on 18 and 19 March 2021, and the Accredited Training Providers' Workshop on 17 March 2021. This exemplifies the MQA's commitment to modifying its facilities to ensure that ongoing engagements with stakeholders, as well as with the mining and minerals sector, are maintained.

Furthermore, the MQA visited various training centres in order to observe the regular advances being made in the training and learning component of the mining and minerals sector. The outcome of these visits was to augment, and eventually adapt learning to be conducted over the virtual realm.

His Excellency, President Cyril Ramaphosa announced the Economic Reconstruction and Recovery Plan (ERRP) on 15 October 2020. This plan is intended to stimulate equitable and inclusive growth in South Africa. In support of this, we are pleased to note the DHET's commitment to address skills shortage challenges by developing a skills strategy that is aimed at providing support to SETAs who perform an implementer role in skills development training.

As part of its ongoing plans, this skills strategy will target various groupings, including the unemployed youth, employed persons seeking to upgrade their skills, as well as individuals who will be deciding on careers in occupations where there is a skills shortage. Therefore, the relicensing of the SETAs, including the MQA, with effect from 1 April 2021, provided the organisation with an opportunity to institute decent employability prospects for both the youth and adults through education and skills training interventions. Moreover, the DHET has pledged to prioritise work-based learning opportunities through the revised service level agreements it has concluded with the various SETAs.

It is important to note that the MQA achieved above 72% of the targets set for the period under review. The total revenue for the period, including donor income, amounted to R947 718 000 (2020: 1 246 956 000 re-stated) with a total expenditure of R864 817 000. This is a notable milestone for the organisation. I applaud the various departments for the exceptional effort made in this regard.

Transformation

The MQA supports the importance of broad-based economic empowerment, also as outlined in the Mining Charter, by executing various projects and initiatives that demonstrate the organisation's investment in communities that participate in the mining and minerals sector. In the year under review, the MQA experienced a noticeable increase in the number of beneficiaries from mining communities who gained technical and non-technical skills by participating in various training programmes. This will culminate in the availability of skilled, employable human capital that will play a demonstrable role in improving the plight of mining communities.

The MQA is also beholden to the employers in the sector who have made their workspaces available to allow an increased number of learners to undertake this imperative training.

Mandatory grants

As a demonstration of their commitment towards skills development training, mining companies – irrespective of size – are required by legislation to annually submit their workplace skills plans (WSPs) and annual training reports (ATRs). The mandatory deadline date for the submission of WSPs and ATRs is 30 April annually. During the year under review, employers in the sector responded positively, whereby a record number of WSPs and ATRs were submitted by the deadline. This demonstrates the sector's assurance that a culture of continuous learning is sustained and that the informed profile of critical skills that is required within the sector is always available.

During the year under review, 824 companies submitted their WSPs and ATRs against a target of 650. The WSP-ATR submission period was extended to 31 July 2020 with the process being finalised on 31 March 2021.

The MQA received R219 974 000 from the mandatory levy income, of which R187 741 000 was disbursed for mandatory grant payments during the period under review.

As the MQA continues to review the skills needs of the sector, it remains committed to implementing a diverse number of projects that are appropriate to the sector and that address the evolving interventions required within the sector.

Discretionary grants

During the 2020-2021 financial year, the MQA Board, in implementing its mandate, approved a total budget of R724 338 000 in discretionary projects, with a total spend of R524 142 000, namely, 72%. These projects form the cornerstone of addressing skills gaps that are identified in the SSP and fulfil the MQA's strategic goals that are governed by the deliverables outlined in the NSDP. These projects include various artisan and non-artisan learning programmes, occupational health and safety-related programmes, bursaries to support learners to pursue mining-related qualifications and trades, the MQA's work experience and internship programmes, as well as projects aimed at supporting historically disadvantaged individuals in their career progression within the sector.

Artisan development, support for artisan aides

The MQA supports the objectives of artisan development in the sector, and pursues the Decade of the Artisan campaign that is spearheaded by the DHET to produce an increased number of skilled artisans annually, and to ultimately produce 30 000 artisans annually by 2030. The campaign facilitates the pursuit to increase the number of young learners pursuing artisanship as worthy of providing the essential skills that are essential to promote gainful employment, while contributing to the country's economic growth.

There was a favourable response from the sector in its support of the artisan development programmes, as shown by the number of new learners that enrolled for the artisan, artisan aide and artisan recognition of prior learning (RPL) programmes. Furthermore, the number of learners who successfully completed their various artisan training programmes was a welcome outcome.

Technical vocational education and training college support

The MQA continued to position itself as a partner in supporting the skills development goals of technical vocational education and training (TVET) colleges in different regions to foster improved artisan skills. During the year under review, TVET college lecturers were provided with workplace exposure to enhance the learning experience of TVET learners and advance their skills in artisan and non-artisan trades.

Occupational health and safety (OHS)

The mine, health and safety in the workspaces and among employees of the mining and minerals sector is of paramount importance, with the MQA firmly committed to the principle of “zero harm” in the sector. During 2020, there was an increase in the number of fatalities and injuries across the sector, with the Minerals Council South Africa reporting 60 fatalities compared with 51 a year earlier, when the mining industry recorded its lowest fatalities.

The MQA will continue to support employed learners in the sector to register for a qualification related to seismology and rock engineering as part of the efforts to mitigate the prevalence of mining-related incidents

and fatalities. Measures regarding safety concerns are continually being adopted as the sector metamorphoses. It demonstrates the commitment of the MQA and the sector to improve to safety standards within South Africa's mines. Furthermore, the mining and minerals sector's employers' response to train an increased number of representatives remains positive. These representatives were trained on and completed the legislated occupational health and safety skills programme, as well as other health and safety programmes.

Literacy support for continuous learning

Literacy support is fundamental to skills development training, ensuring that learning opportunities are available to all employees in the mining and minerals sector. In the year under review, there was a resounding, positive response from employers to support the adult education and training (AET) and foundational learning competence (FLC) programmes. This will ensure that all employees in the sector are presented with sufficient opportunities to improve their skills levels, as well as their progress within the mining and minerals sector.

Career guidance and support for graduates

The role of career guidance in shaping the vocational choices of young maths and science learners is significant. This embodies the MQA's commitment to support the transformational needs of the mining and minerals sector by facilitating skills development interventions that also target the youth.

During the year under review, with the onset of the global pandemic, the various lockdown restrictions that were imposed on the country impacted on the MQA's ability to participate in career guidance exhibitions and events. Therefore, to mitigate this situation, the MQA amended its performance-related service-level agreement (SLA) with the DHET to report on the distribution of career guidance material as a form of career guidance intervention. It was for this reason that the MQA was able to reach many high school learners to support them with career guidance information.

Additionally, the MQA provided internship opportunities to graduates, which forms a vital component in assisting graduates to find work experience

and job opportunities after graduation. This was demonstrated in the positive support from employers in the sector to offer their workplaces as learning spaces that allow graduates to improve their prospects of gaining employment within the sector, and thus contributed to the objective of a transformed mining and minerals sector.

Revenue – administration budget

The MQA's revenue reduced significantly in the year under review. This was due to the four months levy payment holiday that was given to employers as part of the relief due to covid-19. The total revenue for the period that ended on 31 March 2021 amounted to R947 718 000, which included the administration and discretionary revenue of R115 928 000 and R611 815 000, respectively. The administration expenses exceeded the revenue by R24 456 000 and necessary approval was sought from the Minister in line with the SETA grant regulations. The total expenditure budget comprising of administration, mandatory and discretionary grant expenditure was R1 097 472 000, and R864 817 000 was spent during the year under review, amounting to an expenditure of 79% against the said budget.

Challenges

The prevailing, slow growth of South Africa's economy continues to be of great concern, especially to the country's ability to begin to reverse the rate of unemployment among the country's employable youth. The various national lockdown levels are also exacerbating the negative position of the economy, as well as the mining sector, which remains one of the country's sizeable contributors to the country's gross domestic product (GDP). This may continue to impact on the MQA and its stakeholders' potential to deliver increased skills development interventions to learners due to the suspension of learning and training activities.

In turn, the lockdown restrictions and the unfavourable state of the economy carry the pervasive spectre of retrenchments, which at times become unavoidable as companies struggle to remain profitable. The MQA will investigate various solutions and avenues with role players in the sector to ensure ongoing support for skills development training in the sector.

Appreciation

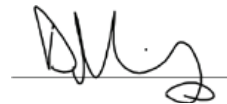
I extend my appreciation to the Minister of Higher Education, Science and Innovation, and the Minister of Higher Education, Science and Innovation. I am encouraged by your steadfast support and the meticulous manner in which the mandate of the MQA was executed over the past year.

My gratitude is also extended to the outgoing members of the MQA Board, the Audit and Risk Committee, as well as the Human Resources and Remunerations Committee, whose diligent oversight and guidance over the preceding years has resulted in the organisation's ability to continue on its outstanding trajectory.

I would also like to commend the employees and labour organisations during this stressful reporting period for instilling confidence in the MQA and the organisation's ability to deliver on its set mandate. The organisation continued to implement support initiatives to manage covid-19 in order to safeguard our staff. Moreover, your consistent contribution and feedback during the various stakeholder engagements is always invaluable and appreciated.

Lastly, my gratitude is extended to the MQA's employees – the organisation's most dynamic ambassadors – for their valuable contribution in supporting the organisation's mandate, which inevitably leads to the constant success of the organisation. You remain consistent and exceptional, and it is for this reason that you remain the MQA's most valuable resource.

As we navigate the demands of a changing world and come to adjust to a new way of doing things, the MQA Board would like to assure the sector of the MQA's firm support in ensuring that accessible, quality learning delivery remains at the forefront of the organisation's goals.



David Msiza

Chairperson of the MQA Board
31 July 2021

1.2. OPERATIONAL OVERVIEW BY THE ACTING CHIEF EXECUTIVE OFFICER



Mr Bethuel Nemagovhani
Chief Executive Officer (Acting)

As the Acting Chief Executive Officer (CEO) of the MQA, I am proud to submit the performance overview of the organisation for the period 1 April 2020 to 31 March 2021 to the MQA's various stakeholders and the organisation's governing structures.

During the year under review, the MQA continued to espouse its duties as a skills development administrator, a critical role that is spearheaded by the organisation's mandate to deliver quality learning programmes for the mining and minerals sector. This also resulted in the organisation achieving the positive outcome of an unqualified audit opinion for the 2020-2021 financial year.

I present this report at a time when the country remains vigilant and on high alert, notwithstanding the decree by His Excellency President Cyril Ramaphosa to move the country into lockdown due to the novel coronavirus (covid-19) global pandemic that is a phenomenon with an enduring legacy.

Although these challenges had some undesirable impact on the sector's

ability to deliver on its skills development programmes, the MQA provided the necessary support, which resulted in the delivery of quality learning, while ensuring the health and safety of all its stakeholders.

The MQA presents this report in acknowledgement of the fact that South Africa is blessed with natural resources, including its human capital, that continue to prove that the country is indeed alive with possibilities. It is a major concern that a number of factors has contributed to the unemployment rate, which, according to Statistics South Africa, rose to 32.6% in the first quarter of 2021 (the fourth quarter of this financial year) from 32.5% in the previous quarter. Although the mining and minerals sector gained 12 000 jobs in the same quarter, it is a concern that the unemployment rate pertaining to the black African population stood at 36.7%, which is higher than the national rate. At 38.3% for black African women, this unemployment rate is a further cause for concern indeed. The youth unemployment rate, measuring job-seekers between 15 and 34 years old, stood at 46.3% with the expanded unemployment rate at 74.7%. Thus, MQA has an active role to play in order to remedy this undesirable situation through its skills development programmes.

Furthermore, the MQA places its faith in the government's vaccine rollout programme, aimed at curbing covid-19.

In keeping with the principles of sound corporate governance, the MQA is anticipating an enhancement of its current executive management structure through the appointment of two key positions, those of Chief Operations Officer and Executive Manager Corporate Services. These two appointments should be finalised within the new financial year.

Furthermore, the organisation reiterates this commitment as a demonstration of its adherence to the organisation's six strategic objectives, which provide the cornerstone for the MQA's vision, mission and values for a safe, healthy and adequately skilled mining workforce.

Annual performance information

The MQA, similar to most organisations, was not exempt from some of the challenges that were largely a direct consequence of the global pandemic. The organisation's ability to fully implement some of its core projects was subsequently hampered. However, in spite of these

challenges, the organisation succeeded in attaining favourable results in relation to the performance targets that were set out in the MQA's annual performance agreement concluded with the DHET.

The MQA achieved 36 of its 45 indicators, resulting in 80% of the performance targets. The following represents some of the noteworthy achievements attained in different skills development projects.

Occupational Health and Safety Skills Programme

The MQA's OHS Skills Programme continues to address the undertaking outlined by the DMRE to accelerate the training of skilled, qualified OHS representatives. This training intervention is the MQA's unswerving demonstration of its commitment to address the detrimental effects of mining-related fatalities that can result from unsafe working conditions in the sector.

During the 2020-2021 financial year, the MQA exceeded its target of training OHS representatives, where 2 877 employees completed the training programme against the set target of 2 800. In addition to that, the sector supported its employees to participate in other health and safety programmes, where 247 employees were supported against the set target of 200.

Research in the sector

Research is an important facet within the value chain of skills development training at the MQA. It is a key, primary element in developing the required learning interventions and programmes by identifying the needs of the sector based on information-collection efforts garnered from stakeholder companies within the sector.

The research initiatives that the MQA undertakes annually provide pertinent information that informs the identification and application of distinctive learning and training measures. Information gleaned through research mechanisms, which include the WSP, the ATR and the SSP, deliver a vital record of the sector, as well as its employees. In the year under review, 824 WSPs and ATRs were received, exceeding the set target of 600.

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

The spectre of unemployed youth, especially unemployed graduates, remains an unfortunate reality that is still characterising South Africa's economy. To achieve the goal of a transformed, skilled, progressive mining and minerals sector, with special reference to the impending Fourth Industrial Revolution (4IR), it remains the responsibility of role players in the sector to provide avenues that foster appropriate, youth-centric skills development and training environments, while ensuring that young qualified candidates are able to access the opportunities offered by the mining sector.

As an example of this, the MQA offers youth-focused learning and training interventions to young, unemployed learners and graduates through the MQA bursary scheme, the internship and work experience programmes, and the youth development programme.

Career guidance support: internship and work experience training interventions

The MQA annually facilitates career guidance opportunities to provide learners studying subjects that allow them to access mining-related careers with information relating to careers in the mining and minerals sector. During the year under review, the MQA amended the deliverable to include the distribution of career guidance material to institutions that include centres of higher learning and schools, to accommodate the limitations of the various lockdown levels imposed as a result of covid-19. For this reason, the MQA Head Office and the six regional offices successfully distributed 105 career guidance materials against a target of 90.

The MQA's internship programme, aimed at unemployed graduates, assists graduates to find work experience and job placement opportunities. During the 2020-2021 financial year, 463 graduates successfully entered this training programme against the set target of 350, and 103 successfully completed their internship training against the set target of 100. Under the work experience programme, which is aimed at offering workplace training support to unemployed undergraduates, 468 undergraduate students entered the training programme against the set target of 350. In addition, 411 students successfully completed their workplace experience training against

the set target of 350. Furthermore, 187 National Certificate (Vocational) (NCV) TVET college graduates entered a work placement programme against the set target of 185, while 73 TVET NCV graduates completed their work placement programme against the set target of 60.

Mine community development, youth development and small-scale mining support

The MQA supports the call to deliver learning and training initiatives that can uplift communities that reside within mining areas as part of the organisation's fifth strategic objective to assist these communities to access employment opportunities and labour-sending areas. The Mine Community Development Programme is one such initiative, as it provides training opportunities for underprivileged beneficiaries to participate positively in the economic growth of their communities. During the 2020-2021 financial year, 1 438 beneficiaries participated in this programme against the set target of 860. A total of 1 030 beneficiaries successfully completed the various training initiatives that formed part of this programme against the set target of 950.

The Youth Development Programme is another intervention aimed at supporting the youth located in mining communities and labour-sending areas. This programme seeks to find and create employment opportunities by providing the youth with the requisite skills in various trades. A total of 2 166 youth entered this programme against the set target of 1 700, with 1 182 successfully completing their training against the set target of 1 000. Moreover, 100 beneficiaries were successfully trained in small-scale mining interventions against the set target of 50.

Learnerships, artisan and non-artisan development

During the year under review, the sector responded positively by supporting employed learners to participate in the skills development opportunities delivered through learnership programmes. This was achieved despite the decrease in the number of learnerships that were available to employers, as well as the restrictions that were imposed by the nationwide lockdown.

To this end, 516 employed learners were enrolled on various learnership programmes against the set target of 400. The target of 350 employed learners who completed various learnership programmes was met. A total of

24 employed learners successfully completed their RPL training against the set target of 15.

The bid to improve the plight of unemployed learners and elevate them to the role of active participants in the economic activities of their communities and the country resulted in great support from the sector, where 539 unemployed learners entered various learnership programmes against the set target of 400. In addition to this, 516 unemployed learners successfully concluded their learnership training against the set target of 200.

The MQA continues to take part in the DHET's drive to produce an increased number of qualified artisans each year. This drive, which is a perpetuation of the Department's Decade of the Artisan initiative, launched in 2013, is aimed at producing 30 000 artisans by 2030.

During the 2020-2021 financial year, 842 learners were registered on various artisan programmes against the set target of 750. Furthermore, 652 learners completed their artisan training against the set target of 650. A total of 32 learners completed their artisan RPL training against the set target of 25. The artisan aide programme also received great support from stakeholders in the sector, where 171 learners completed their training against the set target of 100 during the year under review.

Lecturer support

One of the MQA's values, that of continuous learning, is extended to the sector through the support offered to TVET college lecturers to provide them with lifelong skills. The MQA supported 44 TVET lecturers from various institutions of higher learning with sector-focused training against the set target of 25.

Stakeholder capacity building

Providing stakeholder capacity building training is instrumental in ensuring that the sector has a sufficient number of experts who are adept at collecting, assessing and providing critical information pertaining to the training needs of the sector. It is for this reason that 16 skills development facilitator (SDF) capacity building workshops were hosted against the set target of five. Moreover, 17 Skills Development Committee (SDC) workshops were hosted against the set target of 15.

Support for literacy in the sector

The MQA supports literacy programmes that promote learning among previously disadvantaged adult learners in the mining and minerals sector. During the 2020-2021 financial year, 1 250 learners successfully completed their Level 1-4 AET and National Accredited Technical Education Diploma (NATED) courses against the set target of 1 140. A further 116 learners successfully completed their FLC training against the set target of 100.

Challenges

The decrease in the revenue the MQA received during the 2020-2021 financial year posed an operational challenge in its ability to deliver more quality learning programmes. However, it is notable that the sector still responded positively to the call to support and train both employed and unemployed learners through various learnership programmes.

Retrenchments within the different subsectors of the mining industry are still persisting. This impacts on the successful rollout of training interventions that benefit mining employees. While the rate of retrenchments is influenced by economic developments within the country, the MQA will continue to become party to finding sustainable, viable training solutions in response to job losses in the sector.

The various nationwide lockdowns in response to the spread of the covid-19 bore a negative impact on the number of bursaries that could be awarded to both employed and unemployed historically disadvantaged learners. During the year under review, only **653** unemployed learners were offered financial support in the form of a bursary through the MQA's Bursary Scheme against the set target of 780. Conversely, only **242** unemployed learners were able to complete their qualifications against the set target of 500. Furthermore, only **38** employed learners were successfully awarded a bursary against the set target of 50.

Appreciation

To the Honourable Minister of Higher Education, Science and Innovation, Dr Bonginkosi Blade Nzimande, the Honourable Minister of Mineral Resources and Energy, Mr Gwede Mantashe, and the Chairperson of the MQA Board, Mr David Msiza, I would like to express my heartfelt gratitude for entrusting me with the responsibility to direct this capable organisation.

On 31 March 2021, the tenure of the current MQA Board came to an end. The Board comprised seasoned members with unparalleled experience in the mining and minerals sector, as well as in other constituencies that formed part of the Board's representation. It has been a great honour to serve under the outgoing MQA Board. On behalf of the MQA's management and staff, I would like to extend my sincere gratitude for your unyielding support and guidance, which had a direct impact on the MQA's stellar performance.

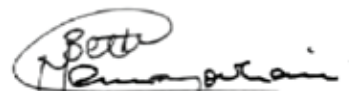
The immense contribution provided by various stakeholders in the mining and minerals sector remains the cornerstone of the MQA's achievements during the period under review.

These stakeholders include the DHET, the DMRE, the MQA Board and its standing committees, as well as employers and labour organisations in the sector. The steady improvement of the organisation's performance is a result of the invaluable feedback received during various stakeholder engagements.

I would also like to relay my appreciation to the MQA's management and staff members during the year under review. Your realisation of the vision, mission and objectives of the MQA is consistently demonstrated through service excellence, as well as the support that you provide to the sector.

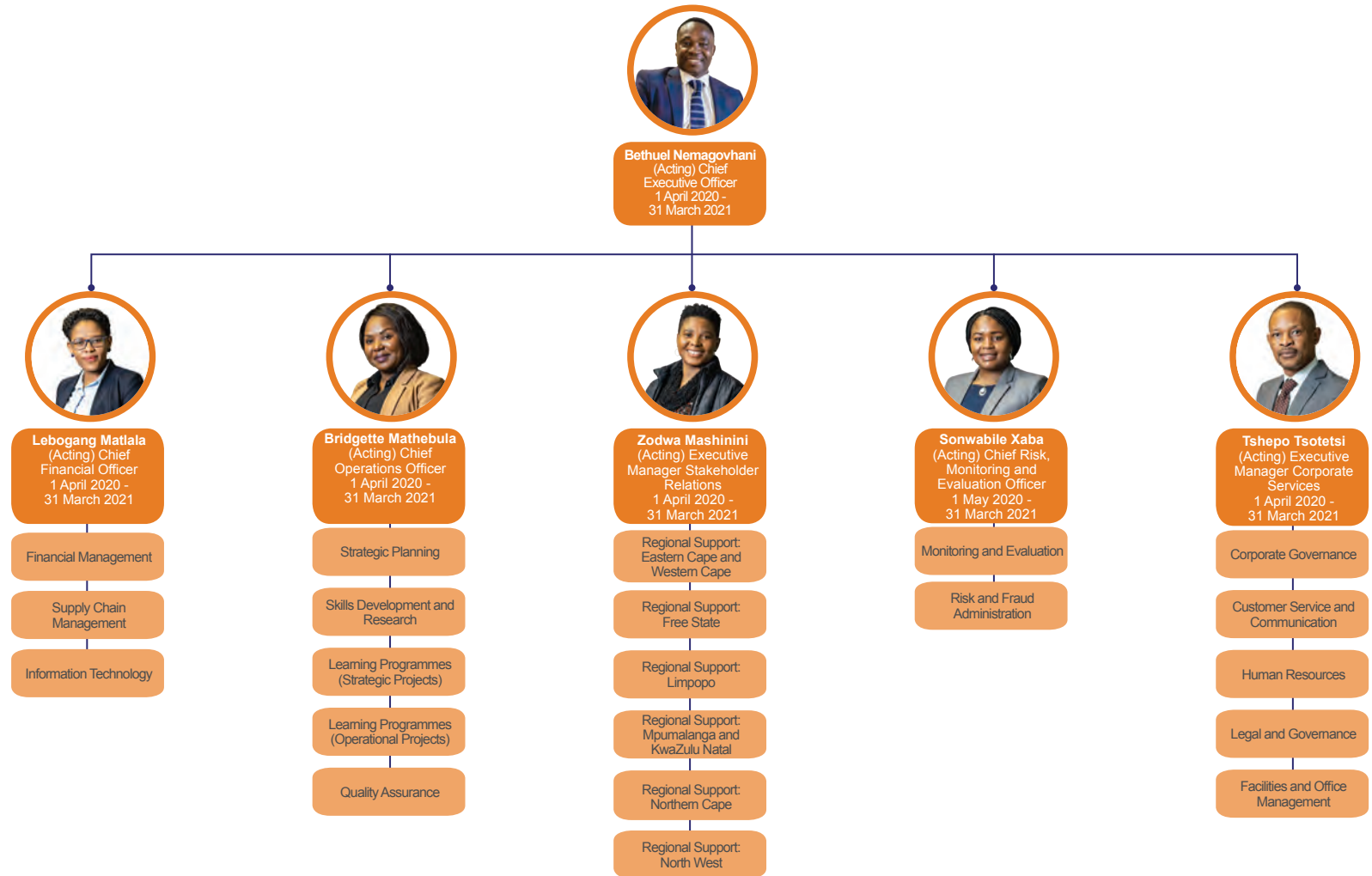
As we continue to navigate the perils and indefinite end of the global pandemic, I would like to urge all stakeholders to continue to be steadfast in maintaining health-promoting measures, which include sanitising their hands, wearing masks and practising social distancing, while keeping loved ones safe. Until the completion of the vaccine rollout, these are our best forms of defence against the scourge of covid-19.

The MQA remains committed to the health, safety and wellness principles that characterise our mining and minerals sector, and will provide support to our stakeholders to mitigate possible training challenges.



Bethuel Nemagovhani
Chief Executive Officer (Acting)
31 July 2021

1.3. ORGANISATIONAL STRUCTURE



*Ms Lebogang Matlala, (Acting) Chief Financial Officer, also acted as Chief Risk, Monitoring and Evaluation Officer from 1 April 2020 - 31 April 2020.

SECTION 2:

CORPORATE GOVERNANCE INFORMATION



2.1 CORPORATE GOVERNANCE

Corporate governance guides the processes and systems that are essential towards managing organisational efficiency and effectiveness within the relevant prescripts. It is in line with these guidelines that the MQA ensures that its policies, processes, procedures and practices are reviewed regularly for consistent compliance with relevant legal provisions. The parameters amplified in the organisational strategies, policies and procedures enable the MQA to utilise its resources in an efficient and effective manner.

The terms of Regulation 30 of the Treasury Regulations require an SLA to be concluded between the MQA and the DHET annually. This agreement should contain key performance indicators and outcomes expected by the stakeholders in line with the protocol for corporate governance in the public sector.

The Board provides strategic direction and leadership, determines the goals and objectives of the MQA, and approves key policies, financial objectives, plans, goals and strategies. The MQA's constitution, the Board Charter and the terms of reference for all standing committees are aligned to the principles incorporated into the Code of Corporate Practices and Conduct in the King Code reports. The Board's standing committees play a critical oversight role that creates an enabling environment for the achievement of organisational goals.

The Corporate Services Unit provides support to the MQA's management, staff and stakeholders in the execution of the organisation's legislative mandate, which is aimed at facilitating skills development in terms of the Skills Development Act.

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

2.1.1 GOVERNANCE STRUCTURES

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

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

2.1.2 STRATEGIC PLANNING

The strategic planning process forms a critical aspect of any organisation as it is aimed at ensuring impeccable delivery on its strategic objectives. It is in line with this phenomenon that the MQA's Board held its strategic session on 3 and 4 September 2020, with the purpose of reviewing the strategic direction, assessing internal and external challenges, providing direction and producing the organisation's Annual Performance Plan (APP).

The strategic planning session also enabled the Board to deliberate on various policy initiatives aimed at streamlining operational processes for efficiency and effectiveness.

2.1.3 EXECUTIVE COMMITTEE

The MQA's Executive Committee (EXCO) meets on a quarterly basis to deliberate on reports that are submitted to the Board Committee as per the recommendations of the EXCO members.

2.1.4 ACCOUNTING AUTHORITY

The final responsibility for the future of the company depends upon the Board as it provides guidance and direction according to which the company is to be led. Sections 50 and 51 of the PFMA stipulate that the Accounting Authority must accept the fiduciary duties in writing.

2.1.5 BOARD'S RESPONSIBILITIES

The Board is responsible for the following:

- The strategic direction of the company and the control of the company;
- The values to which the company will adhere, formulated in its Code of Conduct;
- Ensuring that its conduct and that of management aligns to the values and is adhered to in all aspects of its business; and
- Promoting the stakeholder-inclusive approach of governance.

2.1.6 BOARD CHARTER

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

2.1.7 REMUNERATION OF THE BOARD

- The remuneration of the Board is determined by National Treasury's rates;
- Members of the DMRE are not entitled to remuneration as they are employees of the state entity; and
- Members of the Board are also reimbursed for their travel and the rate per kilometre, as determined by the South African Revenue Service (SARS).

2.1.8 BOARD AND STANDING COMMITTEES' ROLES AND RESPONSIBILITIES

	Name	Function	Composition	Quorum	Chairperson
1.	MQA Board	Accounting Authority policy, strategies and resource allocations	Five representatives per stakeholder group present	Two stakeholder groups present	Chief Inspector of Mines
2.	Executive Committee	Board-delegated tasks and management oversight	Chairperson of the Board, three conveners, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Executive Manager: Corporate Services (EMCS), Chief Risk Monitoring and Evaluation Officer (CRMEO), Executive Manager: Stakeholder Relations (EMSR)	One stakeholder	Board Chairperson
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, one representative from the internal auditors, one representative from the external auditors, CEO, COO, CFO, EMCS, CRMEO and EMSR	Two stakeholders from different stakeholder groups and one external representative present	Independent member
4.	Finance Committee	Advises on budget, the 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

	Name	Function	Composition	Quorum	Chairperson
5.	Human Resources and Remunerations Committee (HREMCO)	Oversees the implementation of a remuneration framework for the MQA	Three external representatives, one representative per stakeholder group, CEO, COO, EMCS, CFO, CRMO and EMSR	One stakeholder and one external representative present	Independent member
6.	Information Technology Steering Committee (ITSC)	Oversees the IT governance and management activities and provides the Board with reports on IT management activities	One ARC member, one representative from each of the three MQA stakeholders, two representatives from the Information Technology (IT) Unit and MQA's executive management	Two members representing the stakeholders and a representative from the ARC	Board member
7.	Learning Programmes Committee	Advises on learning programmes, skills programme registration, learning material development, apprentice administration, MQA I-Share administration, unit projects and grants implementation	Two representatives per stakeholder group	Two stakeholder groups present	Board member

	Name	Function	Composition	Quorum	Chairperson
8.	Quality Assurance Committee	Advises on quality assurance, accreditation, memoranda of understanding (MoUs) with SETAs, the monitoring of learning provision, unit projects and grants implementation	Two representatives per stakeholder group	Two stakeholder groups present	Board member
9.	Skills Planning and Research Committee	Advises on the development and implementation of the SSP, administration of the WSP and ATR and grants, unit projects and grants implementation	Two representatives per stakeholder group and unit management	Two stakeholder groups present	Board member



Quarterly

Note: Secretarial support is provided by external service providers in all structures.

2.1.9 BOARD COMPOSITION

The MQA's Board forms a tripartite structure, comprising the state, employers and labour. The Board, in its current form, was re-established up to and including 31 March 2021, subject to a revised Board being established through a nomination process of all stakeholders in the relevant constituencies. The figure below illustrates the current interim Board members.



***Resignations:** Johan Venter, Employer Representative

2.1.10 MEETING ATTENDANCE

BOARD MEETING ATTENDANCE 2020-2021												
	MEMBER	ORGANISATION	CONSTITUENCY	MEETING								
				30 July 2020	3 September 2020 (Strat Session)	30 September 2020	12 November 2020	26 February 2021	16 March 2021 (Workshop)	29 March 2021	31 March 2021	TOTAL
1	***D. Msiza	DMRE	State	√	√	√	√	√	√	√	√	8
2	**D. Shikati	NUM	Labour	√	√	√	√	√	√	√	√	8
3	**F. Stehring	UASA	Labour	√	√	√	√	√	√	√	X	7
4	*A. Teteme	NUM	Labour	√	√	√	√	√	√	√	√	8
5	**A. Atlee	Sibanye	Labour	√	√	√	√	√	√	√	√	8
6	**M. Naki	NUM	Labour	√	√	√	√	√	√	√	√	8
7	*M. Ally	Minerals Council of SA	Employers	√	√	√	√	√	√	√	√	8
8	**M. Mashego	Harmony	Employers	√	√	X	√	X	√	X	√	5
9	*P. Gamede	DMRE	State	X	√	√	√	X	√	√	X	5
10	**H. Mbiko	DMRE	State	√	√	√	√	√	√	X	√	7
11	**M. Malapane	DMRE	State	√	√	√	√	√	√	X	X	6

* *Convenor of stakeholder delegation*

** *Members*

*** *Chairperson*

SECTION 3: PERFORMANCE INFORMATION



3.1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

As the Acting CEO of the MQA, I confirm that, to the best of my knowledge and belief:

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor-General.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines as issued by National Treasury.

The Annual Financial Statements on Section 10 of this report, have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) that are the standards applicable to the public entity.

I accept that, as the Accounting Authority, I am responsible for the preparation of the Annual Financial Statements and the MQA's performance information, as well as for the judgements made on this information.

Mr Bethuel Nemagovhani
Acting Chief Executive Officer
31 July 2021

As the Accounting Authority, I am also responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

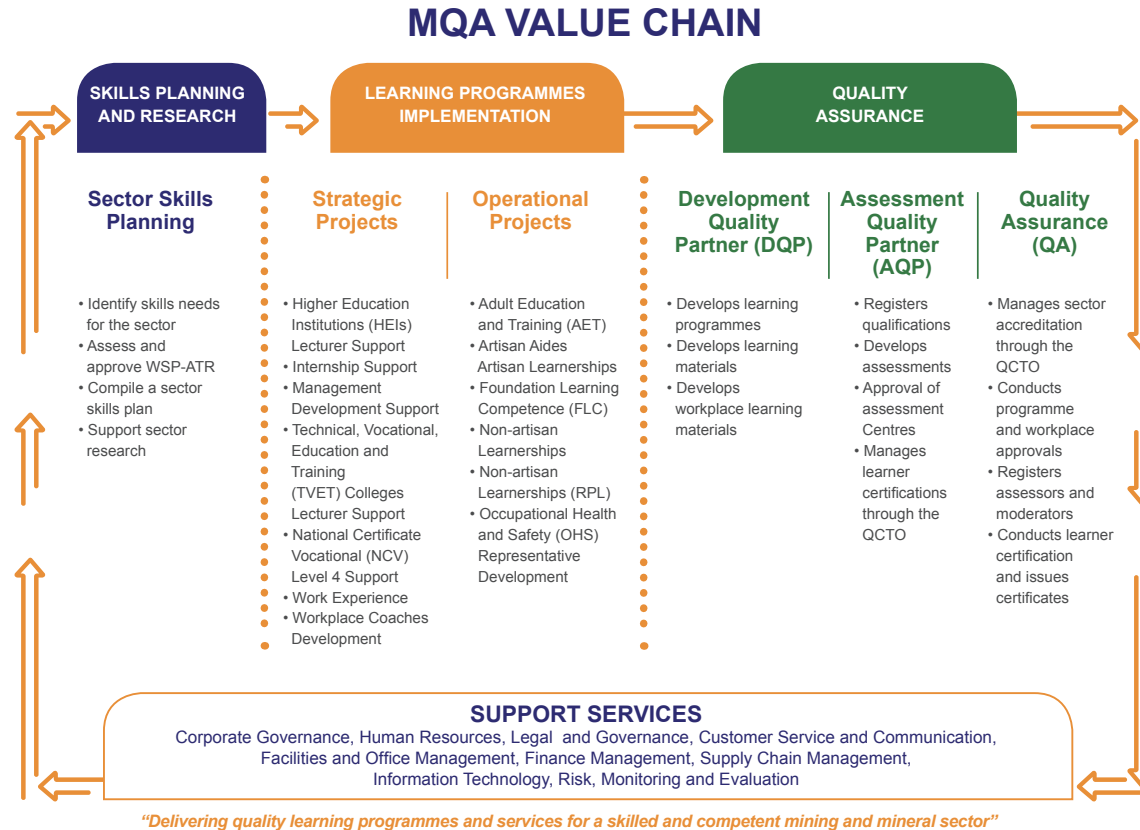
The MQA's Annual Financial Statements on pages 82 to 148, the and performance information on pages 21 to 46 approved by the MQA Board for the year ended 31 March 2021 have been examined by the external auditors to express an independent opinion. Their report is presented on page 75 of this report.

In my opinion, the annual report fairly reflects the operations, performance information, human resources information and financial affairs of the MQA for the financial year ended 31 March 2021.

Mr David Msiza
Chairperson
31 July 2021

3.2. MQA VALUE CHAIN

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



3.3. THE MINING CHARTER DECLARATION, COMMITMENTS AND SCORECARD

During the 2020-2021 financial year, the MQA implemented various projects and initiatives in support of the broad-based socio-economic empowerment charter known as the Mining Charter.

The Mining Charter sets out the following objectives:

- To promote equitable access to the nation's mineral resources to all the people of South Africa
- 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
- To utilise and expand the existing skills base for the empowerment of HDSAs and to serve the community
- To promote employment and advance the social and economic welfare of mine communities and major labour-sending areas
- To promote beneficiation of South Africa's mineral commodities
- To promote sustainable development and growth of the mining industry

In addition, the Mining Charter has the following elements:

- Ownership
- Procurement and enterprise development
- Beneficiation
- Employment equity
- Human resource development
- Mine community development
- Housing and living conditions
- Sustainable development and growth of the mining industry
- Reporting (monitoring and evaluation)

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

- **Beneficiation support**

The MQA continued to support the training of learners in the diamond processing and jewellery manufacturing disciplines, and funded **100**

learners entering and **48** learners completing programmes in these disciplines in the year under review. A total of **41** learners who entered the programmes are learners with a disability. Fifteen (**15**) learners who completed the programmes are learners with a disability. Since 2010, **7 061** learners have been trained.

- **Skills development facilitator capacity-building**

The MQA provided **16** virtual capacity-building workshops to provide capacity to SDFs. Sixteen workshops were conducted to support members of SDCs. Participants in these workshops are made up of past and current SDFs from within the sector, as well as members from organised labour groups. The participants are kept informed of the WSP-ATR process, including the requirements of the MQA and government to encourage participation in the process. The workshops also create awareness around human resources best practices, skills development and the need for a harmonious relationship between employers and labour. This was achieved through partnerships with the support of the MQA's regional offices and the overwhelming support of the sector.

- **Mine community development support**

The MQA supported various mining communities and labour-sending areas with skills development initiatives. It focused mainly on former miners, retrenched workers and those soon to be retrenched. These programmes were not restricted to mining skills, but included training in portable skills such as plant, poultry and livestock production, small, medium and micro enterprises (SMME) operators or shelf filler positions, new venture creation, mixed farming systems, SMME development, clothing manufacture, crop farming, surface mining, domestic installation, solar water heating, electricity, carpentry and painting. A total of **R21 million** was disbursed for mine community support. In addition, **100** community learners were supported with small-scale mining skills in the Northern Cape. Due to covid-19 restrictions, no career guidance activities were conducted in rural mining communities to highlight career opportunities in the mining and minerals sector. Instead, career guidance material was distributed to **105** schools and institutions.

- **Support to historically disadvantaged South Africans**

The MQA continued to support **11** HDSA lecturers at universities and **44** HDSA TVET lecturers. A total of **77** HDSAs were supported and completed management development programmes. The MQA also funded **653** 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 broad-based black economic empowerment (B-BBEE) Level 1–4 spend to **92%** of service providers and vendors providing services to the SETA.

A number of other projects and initiatives in the MQA's 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, recognition of prior learning, occupational health and safety, and other health and safety programmes (Trackless Mobile Machine Operations and Underground Hardrock V5). These initiatives support objectives and elements such as employment equity and human resources development.

3.4 ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

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

Service level agreement performance

Service Level Agreement Performance		
Number of Targets Agreed Upon	Number of Targets Not Met	Number of Targets Achieved
46	7	39
100%	15%	85%

Summary of Annual Performance Plan achievement

Summary Annual Performance Plan (APP) achievement		
Number of Targets Agreed Upon	Number of Targets Not Met	Number of Targets Achieved
45	9	36
100%	20%	80%

Summary of discretionary grant budget achievement

Summary Discretionary Grant Budget Achievement		
Annual Budget	Total Expenditure	Percentage Expenditure
724 338 Million	524 142 Million	72%

Total Overall Organisation Performance: 83%

PROGRAMME (1) : ADMINISTRATION

MQA STRATEGIC OBJECTIVE:

- Promote efficient and effective governance and administration.
- Ensure the delivery of quality and impactful learning programmes in the mining and minerals sector.
- Facilitate training for stakeholders, communities and entrepreneurs.

Ref. No.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020				2020-2021	
1.1.	Unqualified audit outcome with no findings.	“Unqualified audit outcome”	Unqualified audit outcome with no findings	Unqualified audit outcome with findings	Facilitate training for stakeholders, communities and entrepreneurs		Target not met, the opinion was an unqualified audit outcome with findings
1.2.	Achievement of an 80% utilisation of B-BBEE Level 1–4 suppliers (of goods and services)	95%	90%	92%	2%		Target exceeded due to increased use of Level 1–4 B-BBEE suppliers
1.3.	One customer satisfaction survey conducted biennially and customer satisfaction	68%	N/A	N/A	N/A		N/A
1.4.	Annual International Literacy Day hosted	1 Event	N/A	N/A	N/A		N/A
1.5.	Number of career guidance materials distributed to institutions including schools per annum	91	90	105	15		Target exceeded due to greater than expected demand for career guidance material
1.6.	Percentage of MQA projects monitored	100%	100%	100%	0		Target met
1.7.	Number of MQA projects conducted evaluated per annum (value-for-money analysis) conducted	2	3	3	0		Target met
1.8.	Implement an HR Change Management Strategy	N/A	100%	0%	-100%		Target not met due to procurement challenges (failure to acquire a service provider)

Dashboard colour meaning:

	Target Achieved
	Above 50% achieved
	N/A
	Below 50%

PROGRAMME (2) : RESEARCH

MQA STRATEGIC OBJECTIVE: • Improve skills development planning and decision-making through research.
• Facilitate training for stakeholders, communities and entrepreneurs.

Ref. No.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020	2020-2021				
2.1.	Number of WSPs and ATRs evaluated to access mandatory grants per annum	807	600	824	224		Target exceeded. The target was revised downwards due to covid-19 implications; stakeholders were afforded submission extension by the Minister. Furthermore, effective communication with stakeholders, coupled with effective and timely technical support, enabled more stakeholders to submit.
2.2.	Number of sector research outputs completed per annum	6	6	2	-4		Target not met due to procurement challenges.
2.3.	Collaborate with public and private sector organisations regarding skills development research in the mining and minerals sector	3	3	0	-3		Target not met due to procurement challenges.
2.4.	Number of SDF capacity-building workshops per annum	0	5	16	11		Target exceeded as more capacity-building workshops were facilitated virtually
2.5.	Number of SDC members' capacity-building workshops per annum	13	15	17	2		Target exceeded. The number of requests received exceeded the target for the year.

PROGRAMME (3) : LEARNING PROGRAMMES

MQA STRATEGIC OBJECTIVE: • Facilitate opening of workplace based learning opportunities and access to occupationally directed programmes.
• Facilitate training for stakeholders, communities and entrepreneurs.
• Support industry collaboration with public college system.

Ref.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020	2020-2021				
3.1a	Number of learners that enter an artisan programme per annum	911	750	842	92		Target exceeded. More than the expected number of learners were allocated in Quarter 4, which resulted in these learners not attracting payment for all tranches.
3.1b	Number of learners that complete an artisan programme per annum	950	650	652	2		Target exceeded due to learners from previous years only completing programmes in the year under review (sufficient pipeline).

PROGRAMME (3) : LEARNING PROGRAMMES

MQA STRATEGIC OBJECTIVE:

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

Ref.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020	2020-2021				
3.1c	Number of learners that complete artisan RPL	N/A	25	32	7		Target exceeded due to availability of budget. The targeted approach was utilised, which resulted in an increased number of learners.
3.1d	Number of learners that complete an artisan aides programme per annum	143	100	171	71		Target exceeded due to availability of budget. The targeted approach was utilised, which resulted in an increased number of learners.
3.2a	Number of employees entering a learnership per annum	431	400	516	116		Target exceeded. More than the expected number of learners were allocated in Quarter 4, which resulted in these learners not attracting payment for all tranches.
3.2b	Number of employees completing a learnership per annum	340	350	350	0		Target met.
3.2c	Number of unemployed learners entering a learnership per annum	696	400	539	139		Target exceeded. More than the expected number of learners were allocated in Quarter 4, which resulted in these learners not attracting payment for all tranches.
3.2d	Number of unemployed learners completing a learnership per annum	450	200	516	316		Target exceeded due to learners from previous years only completing learnerships in the year under review (sufficient pipeline).
3.2e	Number of employed learners completing RPL for learnerships	26	15	24	9		Target exceeded due to availability of budget. The targeted approach was utilised, which resulted in an increased number of learners.
3.3a	Number of employees that successfully complete the OHS representatives' skills programme per annum	3334	2 800	2 877	77		Target exceeded due to availability of budget, The targeted approach was utilised, which resulted in an increased number of learners.
3.3b	Number of employees supported to complete other health and safety programmes per annum	164	200	247	47		Target exceeded due to availability of budget. The targeted approach was utilised, which resulted in an increased number of learners.
3.4	Number of learners that successfully complete AET and NATED courses	1240	1 140	1 250	110		Target exceeded due to availability of budget. The targeted approach was utilised, which resulted in an increased number of learners.

PROGRAMME (3) : LEARNING PROGRAMMES

MQA STRATEGIC OBJECTIVE:

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

Ref.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020	2020-2021				
3.5	Number of learners that successfully complete FLC	N/A	100	116	16		Target exceeded due to availability of budget. The targeted approach was utilised, which resulted in more learners.
3.6a	Number of graduates that enter an internship programme per annum	557	350	463	113		Target exceeded. More than the expected number of learners were allocated in Quarter 3, which resulted in these learners not attracting payment for all tranches.
3.6b	Number of graduates that complete an internship programme per annum	N/A	100	103	3		Target exceeded due to learners from previous years only completing the internship programme in the year under review (sufficient pipeline).
3.7a	Number of undergraduates that enter a workplace experience programme per annum	485	350	468	118		Target exceeded. More than the expected number of learners were allocated in Quarter 3, which resulted in these learners not attracting payment for all tranches.
3.7b	Number of undergraduates that complete a workplace experience programme per annum	416	350	411	61		Target exceeded due to a high number of vacation work learners who registered for and completed a workplace experience programme in the same financial year.
3.8a	Number of HDSA mining and minerals sector employees that enter a management development programme per annum	128	60	131	71		Target exceeded. More than the expected number of learners were allocated in Quarter 3, which resulted in these learners not attracting payment for all tranches.
3.8b	Number of HDSA mining and minerals sector employees that complete a management development programme per annum	19	80	77	-3		Target not met due to learners' contracts being extended and others resigning from companies before completion of the programme.
3.9	Number of HDSA higher education and training lecturers that enter a lecturer development programme per annum	26	14	11	-3		Target not met due to the resignation of continuing lecturers from the previous year.

PROGRAMME (3) : LEARNING PROGRAMMES

MQA STRATEGIC OBJECTIVE:

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

Ref.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020	2020-2021				
3.10	Number of HDSA mining and minerals sector learners that enter a candidacy programme per annum	N/A	N/A	N/A	N/A		N/A
3.11	Number of coaches placed within workplaces to support employers with on-the job mentoring and coaching activities per annum	N/A	N/A	N/A	N/A		N/A
3.12a	Number of unemployed learners awarded a bursary per annum.	756	780	653	-127		Target not met due to extensions of the academic year by institutions.
3.12b	Number of unemployed learners awarded a bursary completing per annum	519	500	242	-258		Target not met due to extensions of the academic year by institutions.
3.13	Number of employed learners awarded a bursary per annum	52	50	38	-12		Target not met due to extensions of the academic year by institutions.
3.14a	Number of mine community beneficiaries that enter a training programme per annum	1426	860	1 438	578		Target exceeded. This is as a result of surplus funding allocated to the programme.
3.14b	Number of mine community beneficiaries that complete a training programme per annum	916	950	1 030	80		Target exceeded. Some companies allocated in 2019-2020 concluded training in 2020-2021 as it was unexpectedly halted due to covid-19.
3.15a	Number of unemployed youth in mining communities and labour-sending areas that enter a training programme per annum.	692	1 700	2 166	466		Target exceeded. This is as a result of surplus funding allocated to the programme.
3.15b	Number of unemployed youth in mining communities and labour-sending areas that complete a training programme per annum.	27	1 000	1 182	182		Target exceeded. Some companies allocated in 2019/20 concluded training in 2020-21 as it was unexpectedly halted due to covid-19.
3.16	Number of beneficiaries trained in small-scale mining per annum	150	50	100	50		Target exceeded due to sufficient pipeline of learners that were registered in the previous financial year and completed their training in the 2020-2021 financial year.

PROGRAMME (3) : LEARNING PROGRAMMES

MQA STRATEGIC OBJECTIVE: • Facilitate opening of workplace based learning opportunities and access to occupationally directed programmes.
 • Facilitate training for stakeholders, communities and entrepreneurs.
 • Support industry collaboration with public college system.

Ref.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020	2020-2021				
3.17a	Number of TVET NCV graduates that enter a work placement programme per annum	151	185	187	2		Target exceeded due to the appetite shown by the sector to recruit more learners for this project. Some learners were not paid all tranches.
3.17b	Number of TVET NCV graduates that completed a work placement programme per annum	192	60	73	13		Target exceeded due to sufficient pipeline of learners who were registered in the previous financial year and completed their programme in the 2020-2021 financial year.
3.18	Number of TVET lecturers supported per annum	52	25	44	19		Target exceeded due to the appetite shown by the sector to recruit more learners for this project. Some learners were not paid all tranches.

PROGRAMME (4) : QUALITY ASSURANCE, MONITORING AND EVALUATION

MQA STRATEGIC OBJECTIVE: • Ensure the delivery of quality and impactful learning programmes in the mining and minerals sector.

Ref. No.	Programme Performance Indicator	Actual Achievement	Annual Target	Annual Achievement SETA-funded	Variance Against Annual Target	Dashboard	Comments on Deviation
		2019-2020	2020-2021				
4.1.	Number of training providers quality assured, including identified and approved workplaces per annum.	259	120	124	4		Target exceeded due to the ability to conduct more audits through desktop evaluation.
4.2	Number of reviewed or developed learning programmes and assessment tools, including associated learning materials for the mining and minerals sector.	231	70	79	9		Target exceeded due to the development of more learning packs in the year under review.
4.3	Number of HDSA SMMEs supported as training providers in the mining and minerals sector per annum.	N/A	5	8	3		Target exceeded. Due to additional budget allocated, more HDSA SMMEs were supported.

3.5 SKILLS DEVELOPMENT AND RESEARCH

This report captures the state of the Skills Development and Research Unit in terms of performance, and the implementation in relation to Programme 2 of the MQA's APP: Improve skills development planning and decision making through research. It is the responsibility of the unit to manage the implementation of research and administer sectorial data by meeting the following expectations:

- Quality research – qualitative and quantitative
- Trends analysis within the labour market
- Advice on skills shortages for the sector
- Information of national/regional needs and emerging areas
- Facilitating the disbursement of mandatory grants within the regulated timeframe
- Ensuring the quality of data received

The information below reflects the programmes and the annual performance related to these programmes, which the MQA committed itself to for the 2020-2021 financial year.

3.5.1. ANNUAL PERFORMANCE UPDATE

Registration of mining and minerals sector companies with the MQA

Inter-SETA transfers	Progress to date
To allow companies to move from one SETA to another to ensure that companies are classified with the correct/preferred SETA.	There were 14 inter-SETA transfers received during the period under review.

Levy payer database update	Progress to date
To update the MQA's data management systems with the most recent employer file from the DHET and monitor inter-SETA transfers through this process.	Update of the MQA's data management system is done monthly. The MQA continues to monitor the levy file for updates.

3.5.2 DEVELOPMENT AND CAPACITY BUILDING OF SDF's

This project aims to build capacity for all the mining and minerals sector SDFs. The achievement as at 31 March 2021 is illustrated below.

Indicator	Annual target	Achievement	Update
SDF	5 workshops	16	SDF and WSP-ATR provincial workshops were conducted. Due to the covid-19 regulations, these workshops were conducted on the virtual platform.

3.5.3 REVIEW THE SUBMISSION OF WORKPLACE SKILLS PLANS, ANNUAL TRAINING REPORTS AND SECTOR SKILLS PLANS

The WSP-ATR system went live on 4 February 2020 and again on 9 May 2020. The SDFs have access to the system to register and submit the organisation's WSP-ATR. The MQA received 824 WSP-ATRs for the 2020-2021 financial year against a target of 600. The WSP-ATR submission period was extended to 31 July 2020. Evaluations commenced on 1 October 2020 and were finalised by 31 March 2021.

The provincial and size breakdown of the submissions was as follows:

Province	Large	Medium	Small	Grand Total
Eastern Cape	3	2	10	15
Free State	9	5	9	23
Gauteng	94	93	177	363
KwaZulu Natal	10	7	20	37
Limpopo	17	10	27	54
Mpumalanga	58	31	34	123
North West	41	26	32	99
Northern Cape	15	18	21	54
Western Cape	7	10	38	55
GRAND TOTAL	254	202	368	824

The evaluation and approval progress for 2020 is indicated below:

Target	Received to date
600	824

The MQA received two disputes regarding the WSP-ATR for 2020: from the National Union of Mineworkers (NUM) for Jindal Mining and from the Association of Mineworkers and Construction Union (AMCU) for Sibanye Stillwater's Marikana operations. The MQA gave the two organisations 14 working days to resolve the disputes internally. Both organisations resolved their disputes, and the disputes were closed.

3.5.4 MANDATORY GRANT EXPENDITURE

The MQA's Finance Unit is responsible for mandatory grant payments. The unit pays grants quarterly after the DHET has made the funds available.

Budget 2020-2021	Payment 2020-2021
R216 149 000	R200 370 000

**Some small organisations are exempted from paying levies based on revenue generated, thus may not attract mandatory grants.*

3.5.5 WSP-ATR SUBMISSION PLAN FOR 2021

The plans to start the work related to the 2021 WSP-ATR submissions had commenced to finalise the template and test the system for the 2021 submission cycle. The system went live by January 2021.

3.5.6 THE ORGANISING FRAMEWORK FOR OCCUPATION CODES OF THE MINING AND MINERALS SECTOR

Progress was made with the project to update the mining and minerals sector-specific organising framework for occupations (OFO) codes to ensure that they are aligned to and able to inform the DHET's national list of OFO codes.

OFO CODES UPDATE	PROGRESS TO DATE
DHET allows SETAs to submit OFO code change request throughout the year. This process is ongoing.	The 2019 OFO codes were used for the 2020 WSP-ATR submissions, SSP and related reporting. OFO codes are updated every 2 years. The next round of OFO codes workshops are planned in the next financial year.

3.5.7 REVIEW THE RESEARCH RELATED TO SKILLS DEVELOPMENT IN THE MINING AND MINERALS SECTOR

No.	Short Project Title	Research Objective	Research Partner	Timeframes	Budget	Progress/Status	Next phase
1	SSP Annual Update 2020/21	Develop SSP annual update as per the DHET's requirements for submission on 31 August 2020. This is aimed at providing insight into key factors influencing the mining and minerals sector, which could impact on the dynamics of skills supply and demand in the sector.	Research Team	May 2020 –August 2020	R0	Final SSP was presented to and approved by the SRPC on 20 August 2020. Submission to the DHET was done on 31 August 2020.	Dissemination of key findings.
2	WSP-ATR 2020 Submissions and 11 Year Trend Analysis Reports	Provide an updated trends analysis of the mining and minerals sector in terms of geographic location, size and composition of companies. This is also intended to analyse trends in training offered over an 11-year period of WSP-ATR submissions.	Research Team	August 2020 –March 2021	R0	The projects never took place due to the data challenges faced by the Unit with the appointment of Praxis as the new service provider for the automated information management systems for the WSP-ATR submission. Data for WSP-ATR submissions received had gaps and was in complete and deemed not fit to use to compile WSP-ATR and submission analysis reports.	Use the 2021 WSP-ATR data to compile the reports.
3	Hard to fill occupations versus the training interventions	Analyse the relationship between the scarce and critical skills and training interventions that are implemented in the mining and minerals sector.	Research Partner	September 2020-March 2021	R1.5 million	The discretionary grant funding window for Research Partners was advertised on 29 July 2020 and 19 August 2020. Due to covid-19 lockdowns and internal challenges, there were no successful bidders that were appointed as MQA Research Partners.	R0
4	Technology and skills development in mining	Gain an understanding of the impact of changing technology and its skills development implications in the mining sector.	CSIR (via Mandela Mining Precinct) in partnership with the MQA	September 2019 to September 2020	R596 206	The draft report was tabled at the SRPC held on 10 Feb 2020. Report is being revised for SRPC.	The project was completed and its recommendations for submission to the SRPC for further research were noted with the inclusion of three 4IR research topics in the current research agenda.

No.	Short Project Title	Research Objective	Research Partner	Timeframes	Budget	Progress/Status	Next phase
5	Assessment of the effectiveness of the partnership between Community Education and Training Centres (CETs) and the MQA.	The research is aimed at unpacking the following: • What is the scope and aim of the CET centres from the DHET's perspective? • What is the nature (purpose, goals and principles) and scope underpinning this partnership in the MQA? • Identifying the intention of the NSDP in expanding skills development through CET centres and how the MQA is implementing this vision. • What are the strengths and weaknesses of these partnerships? What works and what does not work and why? • What role can the MQA play in assisting the CET centres? • Based on the key findings, develop a model for an effective and efficient partnership, a model that will lead to improvement of synergy between the MQA and the CET centres.	Research Partner	September 2020 - March 2021	R1.5 million	The discretionary grant funding window for Research Partners was advertised on 29 July 2020 and 19 August 2020. Due to covid-19 lockdowns and internal challenges, there were no successful bidders that were appointed as MQA Research Partners.	Carry the research project over and include it in the 2021-2022 Research Agenda.
6	Exploring the state of managerial progression of Historically Disadvantaged South African (African, Indian and Coloured) employees in the MMS.	The research is aimed at unpacking the following: • In the past five years, how much change has occurred to promote black employees into managerial positions? • Ascertain the contributing factors that lead to occupational progression. • Establish the reasons why the progression of black employees is moving gradually. • Determine the sector's readiness towards achieving the Mining Charter of 2018's transformational targets. • Provide specific recommendations that are necessary to improve the entry and career advancement of black people with interventions.	Research partner	September 2020- March 2021	R1.5 million	The discretionary grant funding window for Research Partners was advertised on 29 July 2020 and 19 August 2020. Due to covid-19 lockdowns and internal challenges, there were no successful bidders that were appointed as MQA Research Partners.	Carry the research project over and include it in the 2021-2022 research agenda.
7	Exploring the factors that are impeding attainment of equity targets with respect to people with disability within the mining and minerals sector	The research is aimed at unpacking the following: • What is the nature of the employment profile with respect to the provincial, sub-sectoral, racial, gender, age and occupational distribution of people living with a disability? • What are the factors shaping the medical boarding of employees in the mining and minerals sector? • What training interventions are in place for employees that are medically boarded in the mining and minerals sector to enable the employment of people with a disability in the mining and minerals sector? • Provide specific recommendations necessary to improve the absorption of people with a disability in the labour market within the mining and minerals sector.	Research partner	September 2020 - March 2021	R1.5 million	The discretionary grant funding window for Research Partners was advertised on 29 July 2020 and 19 August 2020. Due to covid-19 lockdowns and internal challenges, there were no successful bidders that were appointed as MQA Research Partners.	Carry the research project over and include it in the 2021-2022 research agenda.

3.5.8 THE COST BREAKDOWN OF THE APPROVED RESEARCH PROJECTS FOR 2020-2021

DISCRETIONARY GRANT RESEARCH FINANCIAL SUMMARY FOR 2020-2021 FINANCIAL YEAR	
Budget	R6 596 206.00
Commitments	R0
Remaining Budget	R6 000 000
Expenditure	R596 206

3.5.9 TARGETS, CHALLENGES AND COMMENTS

Skills development

The evaluation process started on 1 October 2020 upon the availability of the module on the current system provided by Praxis. The impact of this is that the MQA could not pay mandatory grants for this financial year. Payments shall commence upon completion of the evaluation and approval of the WSP-ATRs.

Research

The table below reflects the Skills Development and Research Unit's performance with regard to Programme 2 of the APP.

Programme description	Annual Target	Achievement	Reason
2.2. Number of research outputs completed per annum	6	2	The covid-19 pandemic lockdowns delayed the advertisement and presented internal (adjudication) challenges with regard to the appointment of service providers.
2.3. Collaborations with public and private sector organisations in skills development research within the mining and mineral sector.	3	0	The covid-19 pandemic lockdowns delayed the advertisement and presented internal (adjudication) challenges with regard to the appointment of service providers.

WSP-ATR data availability for analysis

Data related to the WSP-ATRs received in the previous cycle of submission could not be used for the SSP update due to various concerns, such as data completeness, which compromised data credibility. Thus, without the complete data set, the Skills Development and Research Unit was unable to sufficiently roll out the 2020-2021 research agenda or achieve the APP targets related to research in the period under review.

Research partnerships

The MQA could not advertise for research partnerships for discretionary grants as planned due to the covid-19 outbreak. The discretionary grant advertisement for research was delayed to October 2020. There was no executive approval for the appointment of research partners, so the targets were not met.

3.6. LEARNING PROGRAMMES: STRATEGIC PROJECTS

The Learning Programmes: Strategic Projects Unit administered five strategic projects during the year under review.

These projects are as follows:

- Bursaries (for the unemployed and employed)
- Work experience (including vacation work)
- Internships programme
- Management development programmes support
- Higher education institutions lecturer support

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

PROJECT NAME	ANNUAL TARGETS	QUANTITATIVE ACHIEVEMENTS	% ACHIEVEMENTS
Number of graduates that enter an internship programme per annum	350	463	132%
Number of graduates that complete an internship programme per annum	100	103	105%

PROJECT NAME	ANNUAL TARGETS	QUANTITATIVE ACHIEVEMENTS	% ACHIEVEMENTS
Number of undergraduates that enter a workplace experience programme per annum	350	468	134%
Number of undergraduates that complete a workplace experience programme per annum	350	411	117%
Number of HDSA mining and minerals sector employees that enter a management development programme per annum	60	131	218%
Number of HDSA mining and minerals sector employees that complete a management development programme per annum	80	77	96%
Number of HDSA higher education and training lecturers that enter a lecturer development programme per annum	14	11	79%
Number of unemployed learners awarded a bursary per annum.	780	653	86%
Number of unemployed learners awarded a bursary completing per annum	500	242	53%
Number of employed learners awarded a bursary per annum	50	38	76%

3.6.1 BURSARY PROJECT

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

Bursar intake and achievements

- During the year under review, the set annual target of **780** for the intake of unemployed bursars could not be reached. Some **653** unemployed bursars from universities, universities of technology and TVET colleges benefited from the MQA's Bursary Scheme.
- The MQA has **242** unemployed bursars that completed their qualification.
- Some **38** employed bursars also benefited from the MQA's Bursary Scheme.
- The MQA's Bursary Unit has entered into memoranda of agreement (MoAs) with some of the higher learning institutions to streamline the payment processes to institutions and avoid the random transfer of funds to learners.

3.6.2 WORK EXPERIENCE

The MQA supports learners to obtain their university of technology qualifications by enabling them to gain the required practical work experience, which is a required component of this regulated training. University learners were also assisted with vacation work placement. During the year under review, **468** students were placed at mining companies for workplace experiential training against a set annual target of **350**. For the year under review, **411** learners completed their work experience programme.

3.6.3 INTERNSHIPS

The project provides structured work experience for young unemployed graduates from higher education institutions to complement the scarce and/or critical skills qualifications required by the mining and minerals sector. During the year under review, **463** graduates were placed at different mining companies to gain work experience against a target of **350**.

3.6.4 MANAGEMENT DEVELOPMENT PROGRAMME

The aim of the project is to facilitate the development of mining and minerals sector employees in the area of supervision or management to support the transformation targets of the sector. During the year under review, **131** learners were supported to study towards management development programmes against a target of **60**.

3.6.5 HIGHER EDUCATION INSTITUTIONS LECTURER SUPPORT

This programme focused on assisting the participating universities to achieve employment equity and transformation by supporting the development of historically disadvantaged lecturers. A total of **11** lecturers were supported in the Mining, Geology and Mine Survey departments of the participating universities during the year under review.

The following universities participated in the programme:

University	No. of Lecturers
University of Witwatersrand	1
University of Johannesburg	1
University of Pretoria	3
University of Cape Town	6
TOTAL	11

3.7 LEARNING PROGRAMMES: OPERATIONAL PROJECTS

The Learning Programmes: Operational Projects Unit implemented eight projects during the period under review:

- **Artisan Development**

The artisan learnership programmes offered by the MQA seek to address the core and hard-to-fill artisan skills needs of the mining and minerals sector.

During the period under review, the unit participated in the DHET's National Artisan Development Project for Centres of Specialisation (CoS), which formed part of the Artisan Development Project. A total of 30 learners were enrolled in various artisan programmes.

Learners registered in the Centres of Specialisation Project

Skills Development Provider	Lead Employer / Employer	Partnering Host Employer (Agreement)	Apprentices Approved
Ekurhuleni East College	VH Exploration	VH Exploration	30

Note: The MQA had a commitment to the DHET for 70 CoS learners. Employers did not have an appetite to update to a CoS due to the impact of the covid-19 pandemic. New approaches will be devised to recruit employers to host learners in the CoS Project.

- **Non-artisan Development (learnerships)**

The non-artisan learnership programmes offered by the MQA seek to address the core and critical skills needs in the mining and minerals sector.

- **Non-artisan Recognition of Prior Learning**

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

- **Adult Education and Training Development**

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

- **Occupational Health and Safety Representative Development**

The objective of the OHS representative development programmes are to train employees in the mining and minerals sector on critical OHS skills programmes, including health and safety representatives.

- **Other Health and Safety Programmes**

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

In view of the continuing mining accidents and fatalities in the industry, the Learning Programmes: Operational Projects Unit is collaborating with the Skills Development and Research Unit and the Quality Assurance Unit in reviewing the OHS Representative Development Programme. From the research study that was concluded in collaboration with the University of South Africa (Unisa), the MQA is now working with its stakeholders (the DMRE, employers and organised labour) to execute the following tasks:

- Revise the existing OHS representative development programmes to better align them with the requirements of the MHSA and the needs of the mining and minerals sector.
- Work with other SETAs to incorporate certain OHS elements of existing programmes into the mining and minerals sector to avoid duplications in the process.
- Examine the in-house programmes offered by various companies in the mining and minerals sector to develop some best-practice OHS representative development programmes.
- Develop an OHS representative career path in the mining and minerals sector (to ensure career pathways from safety representative to safety manager).

• Covid-19 Training for Employees in the Sector

This programme entails worker-initiated training in line with the outcomes of the NSDP for the training of employees in the mining and minerals sector on covid-19 awareness and management. The covid-19 project is a special project that is responding to a directive to all SETAs from the DHET and the National Economic Development and Labour Council (Nedlac). The outline of all covid-19 training programmes to be implemented by employers was structured to cover the following topics:

- Mitigation and management programme
- Behaviour change programme
- Risk assessment and review
- Monitoring and reporting process

To respond to the DHET's directive, the MQA, in collaboration with its stakeholders, developed a guideline that incorporates the standard operating procedures for the project. A standard application form was also developed alongside the guideline. They were both taken to the Learning Programmes Committee and the Joint Standing Committee for inputs by stakeholders. All these documents were approved by the MQA Board. The intervention is only targeted at employees of mining and minerals sector companies, including those that provide services incidental to mining.

A total of 32 companies participated in the programme, with 876 employees trained and paid grants by the end of the financial year, as outlined in the table below:

NO.	COMPANY NAME	NUMBER OF LEARNERS ALLOCATED	NO. OF LEARNERS TRAINED	AMOUNT PAID
1	Ash Resources	40	14	R 21 000
2	Thorn Castle	53	52	R 78 000
3	Iketleng Mo Afrika	70	70	R 105 000
4	Imfundiso Skills Development	64	64	R 96 000
5	Sugarbush Creations	18	18	R 27 000
6	Maselesele Jewellers	52	52	R 78 000
7	Starcrow 36 Pty Ltd	39	39	R 58 500
8	Mwelase Mining	50	50	R 64 950
9	Bokoni Platinum Mine	170	170	R 255 000
10	Petroleum Agency SA	87	75	R 94 875
11	Zurel Private College	36	36	R 54 000
12	Zurel Bros SA	76	76	R 114 000
13	Eguqwini Trading Enterprises	10	10	R 15 000
14	Geostrat Training	150	150	R 225 000
		915	876	R1 286 325

- **Foundational Learning Competence**

The Foundational Learning Competence Programmes designed to address the low level of skills for learners who require fundamental (numeracy and literacy) skills to exit NQF Level 3 and 4's new modular-based Quality Council for Trades and Occupations (QCTO) occupational qualifications.

- **Regional Implementation Stakeholder Sessions**

The unit conducted regional learning programme implementation sessions in the provinces, as detailed below. The aim of this strategic intervention was to close the communication gap between the MQA's Learning Programmes: Operational Projects Unit and the stakeholders involved in the execution of the MQA's interventions.

DATE	PROVINCES	VENUE	NUMBER OF ATTENDEES THAT CONFIRMED	ACTUAL NUMBER OF ATTENDEES
18 March 2021	Northern Cape, Eastern Cape, Western Cape and KwaZulu Natal.	Virtual Workshop on Zoom	80	66
19 March 2021	Gauteng, Limpopo, Mpumalanga, Free State and North West.	Virtual Workshop on Zoom	223	158

The initiative was well received by the MQA's employers, service providers and other stakeholders that participated in the sessions. This is now an annual event for the Learning Programmes Unit.

Achievement against the APP targets (learners funded by the MQA) for the 2020-2021 financial year

Project	Indicator	Baseline	APP Target for the Year	Achievement	Variance
Artisan Development	Number of learners that enter an artisan programme per annum	911	750	842	92
	Number of learners that complete an artisan programme per annum	950	650	652	2
	Number of learners that complete artisan recognition of prior learning	N/A	25	32	7
	Number of learners that complete an artisan aides programme per annum	143	100	171	71
Non-artisan Learnerships	Number of employees entering a learnership per annum	431	400	516	116
	Number of employees completing a learnership per annum	340	350	350	0
	Number of unemployed entering a learnership per annum	696	400	539	139
	Number of unemployed completing a learnership per annum	450	200	516	316
	Number of employed completing RPL for learnerships	26	15	24	9

Project	Indicator	Baseline	APP Target for the Year	Achievement	Variance
Occupational Health and Safety	Number of employees that successfully complete the OHS representatives' skills programme per annum	3 334	2 800	2 877	77
	Number of employees supported to complete other health and safety programmes per annum	164	200	247	47
Adult Education and Training	Number of learners that successfully complete AET and NATED courses	1 240	1 140	1 250	110
Foundational Learning Competence	Number of learners that successfully complete FLC	N/A	100	116	16

All the targets for funded learners for the financial year under review were met. These numbers will form the baseline and basis of targets for the next financial year.

Achievements against the service-level agreements with the DHET's targets (learners funded by the sector) for the 2020-2021 financial year

Project	Project	SLA Target 2020-2021	Achievement	Variance
Non Artisan Learnerships	Non-artisans employed entered	400	577	177
	Non-artisans employed completions	350	593	243
	Non-artisans unemployed entered	600	813	213
	Non-artisans unemployed completions	600	693	93
Artisan Development	Artisans entered	700	1 453	753
	Artisans completed	650	1 294	644

Project	Project	SLA Target 2020-2021	Achievement	Variance
Adult Education and Training	AET entered	1 140	1 269	129
	AET completions	1 140	1 224	84
Skills Programmes	Unemployed entering skills programmes	1 500	2 766	1 266
	Unemployed completed skills programmes	4 000	4 281	281
	Workers entering skills programmes	25 000	12 939	12 061
	Workers completed skills programmes	26 000	21 130	4 870
Recognition of Prior Learning	Number of learners enrolled in RPL/artisan RPL	35	65	30
	Number of learners completed in RPL/artisan RPL	35	64	29

Not all SLA targets were met in the financial year under review. The numbers for workers entered in skills programmes and workers that completed skills programmes were not met. This is due to the impact of reduced training in skills programmes by sector employers as a result of the covid-19 pandemic. These numbers will form the baseline and basis of targets for the next financial year.

The MQA performed well in the current financial year, notwithstanding the conditions under which the targets were achieved in the covid-19 pandemic environment.

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

- Returns of allocations for the funding of learners to be trained by a number of mining companies citing reasons for not being able to take up learners, including the covid-19 pandemic, organisational restructuring, retrenchments and budget constraints. This situation was mitigated by the reallocation of discretionary grants to other companies who were able to take up learners in the financial year.

- The slow uptake of learners by participating companies. The MQA plans to improve on the allocation of grants to the sector to take place earlier in the year.
- The timeous payment of discretionary grants to funded companies. The MQA plans to remove inefficiencies in the payment processes. There was, however, a great improvement in this area.

3.8 QUALITY ASSURANCE

The Quality Assurance Unit has a legal mandate to ensure quality assurance and that the learning programmes within the mining and minerals sector are aligned in terms of the National Qualifications Framework Act of 2008, as amended, and the QCTO-delegated functions, including those on regulated occupations in terms of the MHSA. Therefore, the primary roles and responsibilities in terms of the deliverables and targets are as follows:

- Review or develop learning programmes for registration as occupational qualifications and provide support for learning material development as a development quality partner body
- Develop assessment tool banks and assessment centre criteria for designated occupational qualifications in terms of the national standard as an assessment quality partner (AQP) body
- Perform the SETA's mandate for the identification and approval of workplaces, including conducting accreditation audits or programme approvals of skills development providers and workplace approvals, such as the registration of assessors and moderators as an AQP body
- Conduct the quality assurance of learner achievements for certifications, including uploading them onto the National Learner Records Database (NLRD)
- Implement strategic projects for the SETA, including national initiatives for the mining and minerals sector

3.8.1 DEVELOPMENT QUALITY PARTNER FUNCTIONS

As a development quality partner (DQP) in terms of the QCTO's delegated function, the MQA reviews or develops learning programmes for registration on the Occupational Qualifications Sub-Framework (OQSF) and learning materials in accordance with the national standard. Furthermore, it has a mandate to review or develop regulated learning programmes or learning materials in accordance with the mining and minerals sector's demand in collaboration with the relevant stakeholders.

During the period under review, substantive progress was made on the review or development of learning programmes or learning material for occupational qualifications, part-qualifications or skills programmes, including learnerships. A total of 79 learning programmes or learning materials were reviewed or developed during the period under review. These comprised eight regulated skills programmes, one occupational qualification and 70 learning materials.

3.8.2 ASSESSMENT QUALITY PARTNER FUNCTIONS

As an AQP with roles and responsibilities in terms of the QCTO's delegated functions for specified occupational qualifications registered on the OQSF, the MQA ensures the development of assessment tool banks and assessment centre criteria for designated occupational qualifications or part-qualifications in terms of the national standard. The MQA therefore has 53 occupational qualifications, including part-qualifications, registered on the OQSF, while 23 occupational qualifications are pending approval and 16 are still to be developed. During the period under review, seven assessment tools were submitted with six under development and two qualifications ready for the sector.

3.8.3 QUALITY ASSURANCE PARTNER FUNCTIONS

Through the Quality Assurance Unit, the MQA conducts integrated accreditation audits of skills development providers and workplaces for occupational qualifications, part-qualifications, learnerships and/or skills programmes, including the registration of assessors and moderators as a delegated quality assurance partner (QAP) body by the QCTO for the mining and minerals sector.

This function requires collaboration with all stakeholders through an appointed and dedicated audit team, including subject matter experts that perform the function of a Quality Assurance Subcommittee, endorsed by a Standing Quality Assurance Committee, established with terms of reference ratified by the MQA Board.

However, during the period under review, the sector and the unit were affected by the covid-19 pandemic. The QCTO issued a national memorandum with regard to all assessment centres, trade test centres and service delivery providers whose accreditations expire in 2020-2021 were to be amended. Therefore, the MQA developed and approved Interim Guidelines and Procedures to conduct virtual quality assurance accreditation audits, and the follow-up or monitoring of workplaces for the period under review.

At the end of the year under review, the MQA had 199 training providers on primary and secondary accreditations, while 443 workplaces were approved for learner placements on various learning programmes. Through the Interim Guidelines and Procedures to conduct virtual quality assurance audits, the MQA conducted 125 audits during the year under review, comprising 63 workplace approvals, 19 compliance audits and 43 new and scope extension audits, while eight were HDSA training providers who were supported by and benefited from discretionary grants. Furthermore, the MQA has endorsed 98 skills development programmes with an extension of accreditation in terms of the national memoranda on related skills development programmes that lapsed during the lockdown period.

A total of 662 applications were received with 449 approved and processed. Of these, 316 were from newly registered assessors (204) or moderators (112), while 44 assessors were granted scope extensions, 89 assessors moved from one provider to another on various learning programmes and 213 applicants were not yet registered due to pending information.

3.8.4 Learner completion and certifications

The MQA continued with its responsibilities for the quality assurance of learner achievements (completions), including uploading them onto the NLRD and issuing certificates for historically registered qualification programmes and skills programmes for the mining and minerals sector.

Its primary role and responsibilities are as follows:

- Establish and maintain a database for the recording of learner achievements
- Provide support for the certification of learners and accredited providers
- Certify learners for skills programmes or qualifications achieved

The MQA adhered to and maintained the NLRD, including the uploading of learner achievements in terms of the South African Qualifications Authority (SAQA) standard. Therefore, “green” status was achieved in both league tables. By the end of the period under review, 22 902 learners had completed the various learning programmes within the sector.

A breakdown of the various learner completions on the various learning programmes is as follows:

TYPES	LEARNER COMPLETIONS
Skills programme statements of attainment	19 895
Non-artisan learnership qualifications	1 865
*Artisan qualification completions	1 142

**Artisan trade certifications are issued by the QCTO through the National Artisan Moderation Body, while the MQA continued with the trade test. Serial numbers are only allocated for 12 trades to 18 trade test centres and their associated administration within the mining and minerals sector.*

During the year under review, 34 617 certificates were issued or printed, including requests for re-issue, while at least 2 451 certificates were verified or validated during the period under review.

3.8.5 SUPPORT OF NATIONAL INITIATIVES FOR CENTRE OF SPECIALISATION

The MQA participated in the DHET's Centre of Specialisation pilot project as the lead SETA for the millwright trade, and offered further support for the boilermaker, diesel mechanic and electrician trades, including ensuring a safe learning environment, programmes on approved workplaces for practical experience and linking learners to employers allocated with grants for the project.

The MQA periodically conducts monitoring on quality learning delivery supported by designated occupational trades conveners (OTCs) for trades. During the period under review, only 43 learners were linked to employers (workplaces) that were approved and allocated with grants to support learners on three TVET college campuses that had been approved as centres of specialisation, while six were in the process of being linked with one TVET college.

A breakdown of the supported trades and TVET colleges, with the number of linked employers and learners on centres of specialisation, is as follows:

TVETs College	Province	Name of Trades	Number of Supported Learners
Gert Sibande TVET College	Mpumalanga	Millwright	6
Umfolozo TVET College	KwaZulu Natal	Millwright	4
Umfolozo TVET College	KwaZulu Natal	Boilermaker	2
Umfolozo TVET College	KwaZulu Natal	Rigger	1
Ekurhuleni TVET College	Gauteng	Boilermaker	30



SECTION 4: STAKEHOLDER RELATIONS

The Stakeholder Relations Unit is mandated, through the regional offices, to do the following:

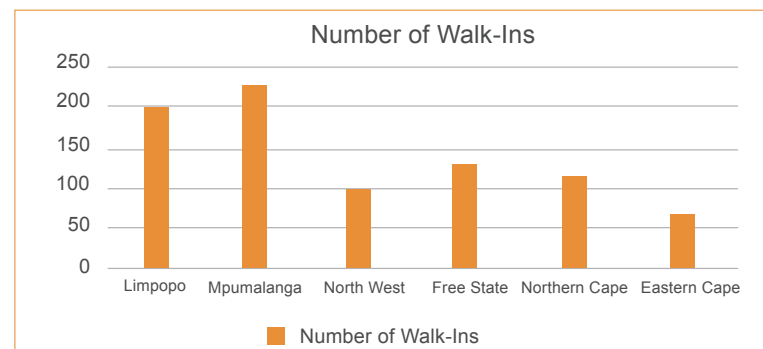
- Document the MQA's skills development initiatives and report these to relevant human resources development (HRD) forums in the nine provinces
- Devise stakeholder management plans and inform the various stakeholders on the work of the MQA
- Represent the MQA in various corporate events; thus, profile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

The MQA's offices are located as follows:

No.	Regional Office	Location
1.	Mpumalanga	Nkangala TVET College, eMalahleni
2.	Northern and Western Cape	Northern Cape Rural TVET College, Kathu
3.	Eastern Cape and KwaZulu Natal	King Sabatha Dalindyebo TVET College, Mthatha
4.	Limpopo	Sekhukhune TVET Praktiseer
5.	North West	Old Shopping Complex, Mooi nooi
6.	Free State	Goldfields TVET College, Welkom

The regional offices received various requests via walk-ins to the offices, as well as, via email. A total of 865 walks-ins was recorded at the regional offices for the 2020-2021 financial year. The enquiries varied from accreditation information, bursary opportunities, certificates (collections and applications) and queries in relation to learning programme agreements, as well as the payment of grants. The recorded walk-ins decreased in the 2020-2021 financial year when compared to the walk-ins recorded in the previous year. This was due to the lockdown that was experienced in the year under review, coupled with the work-from-home arrangement that was implemented by some of the stakeholders in the sector.

NUMBER OF WALK INS THROUGHOUT THE MQA REGIONAL OFFICES						TOTAL
North West	Eastern Cape	Free State	Limpopo	Mpumalanga	Northern Cape	All Regions
101	67	136	205	233	123	865



WORKPLACE SKILLS PLAN/ANNUAL TRAINING REPORT SUPPORT

The regional offices continued to offer support to employers with the submission of their WSP-ATRs. The non-levy paying employers were assisted with both Inter-SETA transfers and the payment of levies for those companies not linked to a SETA.

SKILLS DEVELOPMENT COMMITTEE CAPACITATION WORKSHOPS

The SDC capacitation workshops are attended by SDFs (primary and secondary), HRD staff and representatives from organised labour and non-organised labour, as well as by mine management responsible for HRD. During the period under review, the regional offices carried out in excess of 17 SDC workshops.

PARTICIPATION AND PARTNERSHIPS

The regional offices participated in a number of forums, which included the Premier Skills Development forums, Inter-SETA forums and TVET college councils, among others. The common factors of these forums are the following:

- Artisan development programmes by the DHET
- Career exhibitions by the Department of Basic Education
- Progress reports by TVET colleges (urban and rural)
- SETA progress reports (Inter-SETA)
- Presentations by provincial departments

TECHNICAL VOCATIONAL EDUCATION AND TRAINING, AND COMMUNITY EDUCATION AND TRAINING SUPPORT

During the period under review, the MQA entered into partnerships with 30 TVET and 9 CET colleges. The aim of the partnerships was for the MQA to provide support to the colleges in the following areas:

- TVET College management and governance
- TVET College quality of teaching and learning
- TVET College responsiveness to the local market
- TVET College student support services.

In return, these interventions were to assist the colleges to become institutions of choice and recognised by industry in providing training that meets

occupational needs, preferably in those areas where scarce and/or critical skills have been identified.

The following is a list of TVET and CET colleges with which the MQA partnered with, in the year under review:

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

Community Colleges	
1.	Eastern Cape Community Education and Training College
2.	Western Cape Community Education and Training College
3.	Free State CET Community Education and Training College
4.	North West Community Education and Training College
5.	KwaZulu Natal Community Education and Training College
6.	Gauteng Community Education and Training College
7.	Northern Cape Community Education and Training College
8.	Mpumalanga Community Education and Training College
9.	Limpopo Community Education and Training College

TVET/CET college support

The following interventions were implemented in the 2020-2021 financial year:

- A total of **32** TVET college lecturers were awarded bursaries to further their studies. This intervention aims to improve the quality of teaching and learning at TVET colleges.
- A total of **33** lecturers were selected for exposure to the industry through skills programmes.
- The MQA funded the training of **51** beneficiaries, comprising college management and council members for governance and management training.
- A total of **44** lecturers were funded for assessor and moderator courses in order to improve the quality of teaching and learning.
- A total of **10** TVET colleges were allocated funding to place 200 learners in work experience programmes for them to obtain their qualifications.
- A total of **3** CET colleges were allocated funding to train 318 learners on AET programmes.

TVET support for NCV Level 4 graduates

This project is aimed at supporting TVET NCV Level 4 graduates with the required work experience in order to meet the artisan trade test requirements. Upon successful completion of a trade test, learners are issued with artisan certificates. During the period under review, **187** learners were registered, against a target of **185** learners, and **73** learners

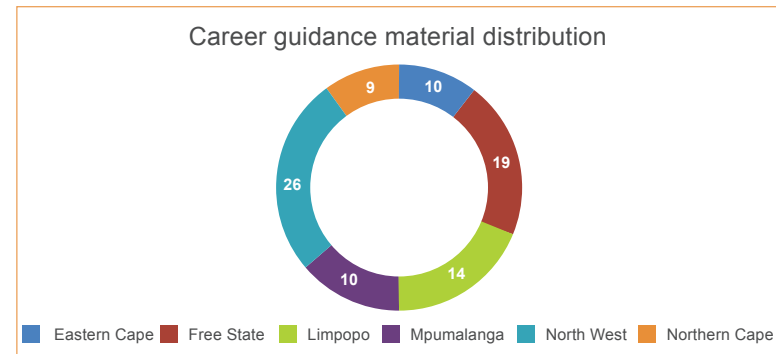
completed the programme and were issued with artisan certificates, against a target of **60**.

CAREER EXHIBITIONS

Regional offices distributed career guidance material in **88** institutions, including schools and information centres. The focus was on subject choice, maths and science, bursary opportunities, and artisan and non-artisan career advice, among others.

A breakdown of the distribution of career guidance material per province is given below:

Province	Number of Events Conducted
Eastern Cape	10
Free State	19
Limpopo	14
Mpumalanga	10
North West	26
Northern Cape	9
TOTAL	88



MINE COMMUNITY DEVELOPMENT PROGRAMME

The Mine Community Development Programme is a strategic programme that aims to respond to skills needs within rural and mining communities nationwide. This is met by mine community portable skills training, as well as the small-scale mining programmes.

For the year under review, the MQA disbursed an amount of **R21 225 000,00** for the implementation of various learning programmes in the Mine Community Development Programme intervention. Furthermore, **1 438** learners were enrolled on these programmes against a target of **950**, and **1 030** learners completed various learning programmes against a target of **1 000**. These programmes were implemented in a number of provinces and were aimed at skilling targeted beneficiaries.

In the year under review, an additional amount of **R159 770 450,00** was allocated for the training of an additional **9 059** beneficiaries from mining communities and labour-sending areas, including former mine workers and retrenched mine workers. This allocation included funding for start-up kits for those who intended to start their own business after the training intervention. This additional funding was approved to assist to deal with the effects of covid-19 and to reduce the unemployment rate.

YOUTH DEVELOPMENT PROGRAMMES

The aim of this intervention is to facilitate and support the training of unemployed youth on entrepreneurial skills and various other skills that will assist them to gain employment and render communities sustainable.

In the year under review, **R25 378 870,26** was disbursed to various organisations for the implementation of youth development programmes. A total of **2 166** learners were enrolled on these programmes against a target of **1 700**, and **1 182** learners completed various learning programmes against a target of **1 000**. These programmes were implemented in a number of provinces and were aimed at skilling targeted beneficiaries.

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

In the period under review, an additional amount of **R43 326 250,00** was allocated for the training of an additional **1 428** unemployed youth in mining communities and labour-sending areas. This allocation included funding for start-up kits for those who intended to start their own business after the training intervention. This additional funding was approved to assist communities to deal with the effects of covid-19 and to reduce the unemployment rate.

SMALL BUSINESS SUPPORT

During the year under review, the MQA approved a project to assist SMMEs operating in the mining and minerals sector with skills development interventions that are intended to assist them in growing or sustaining their businesses. Five small businesses benefitted from this intervention.

SECTION 5: CORPORATE SERVICES



The Corporate Services Department plays a key role within the MQA by providing strategic leadership and oversight on roles that include corporate governance, legal services and governance, marketing and communication, human resources, and facilities and office management services. It is through these functions that Corporate Services supports the MQA Board and its committees, management, employees and stakeholders in the process of fulfilling its legislative mandate, while ensuring effective engagement with all relevant stakeholders.

5.1 HUMAN RESOURCES

5.1.1 BACKGROUND

Human resources is a strategic function of the organisation and contributes immensely to the creation, enforcement and inculcation of a high-performance culture. The employee life cycle, from entry to exit, is managed by Human Resources (HR). The HR Unit offered services to the MQA, guided by six strategic objectives: workforce planning, organisational development, employee remuneration and retention, governance, HR administration and employee relations.

5.1.2 HUMAN RESOURCES STRATEGIC OBJECTIVES

During the period under review, most of the HR activities were negatively impacted on by the nationwide lockdown that stemmed from the outbreak of covid-19. This report focuses on the HR activities that were carried out during the period under review in relation to the outlined HR strategy: workforce planning, organisational development, employee remuneration and retention, governance, HR administration and employee relations.

Human resources performance against planned strategic objectives

Below is an account of the Unit's performance for the period under review.

Deliverables	Planned Activity	Comment
Workforce planning	There were 12 vacancies at the beginning of the period under review, of which four were at top management level.	A moratorium that the DHET had placed on the filling of positions at senior and top management levels was lifted. This allowed the MQA to start the recruitment process of filling the two executive management positions of COO and EMCS. The remaining positions would be filled following the approval of the efficiency study report.
Organisational development	Improve performance management contracts. Efficient organisational structure that supports the strategy.	Performance Management: The Performance Management System has improved from the previous years. Key Performance Areas were aligned to the Strategic Objectives of the MQA. All Top Management Performance Contracts were reviewed and approved by the Board. Organisational Structure: The Board approved the efficiency study report, which contains a new organisational structure. Learning and Development: R632 741,87 was spent on assisting employees further their studies through learning and development programmes at accredited institutions.
Employee remuneration and retention	Ensure fair and competitive remuneration for the MQA's employees to retain their skills.	The recent remuneration benchmarks with other SETAs and companies in the same sector indicated that the MQA's salaries are competitive, with offerings such as study allowances to assist employees further their studies.

Deliverables	Planned Activity	Comment
Governance	Ensure that HR policies and procedures are in line with legislation.	Human resources policies that were due for review were consulted upon, reviewed and updated in line with the labour laws. These policies are pending recommendations by the HRREMCO for approval by the Board.
Human resources administration	Management of HR budget.	The HR Unit spent performed well within the approved HR budget on the following budgeted items: - Conferences, seminars and workshops - Consultancy and professional fees - Staff recruitment - Staff costs - Training and development - Staff welfare - Travel and accommodation
Employee relations	Wage negotiations	Successful conclusion of wage negotiations without deadlock or strikes by management and the union.
	Embed the Employee Assistance Programme through an appointed wellness service provider	A task team was appointed to deal with issues arising from the covid-19 pandemic. The Committee also provided guidance on how to remain productive while ensuring the safety of employees.

Personnel cost per occupational level (includes temporary staff/interns/full-time)

Occupational level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Top management	R2 000 386,89	2.43%	1	R2 000 386,89
Senior management	R19 140 584,00	23.22%	14	R1 367 184,57
Professionally qualified	R24 976 745,80	30.30%	27	R925 064,66
Skilled technical	R33 349 445,50	40.45%	93	R358 596,19
Semi-skilled	R1 750 948,03	2.12%	8	R218 868,50
Unskilled	R1 223 724,11	1.48%	8	R152 965,51
TOTAL	R82 441 834,33	100.00%	151	R545 972,41

Performance rewards (includes temporary staff)

Occupational level	Performance rewards	Personnel expenditure (R'000)	Percentage of performance rewards to total personnel cost (R'000)
Top management	R252 429,58	1	0,31%
Senior management	R1 996 819,73	13	2,42%
Professionally qualified	R2 820 879,33	24	3,42%
Skilled technical	R3 590 692,50	64	4,36%
Semi-skilled	R179 194,27	8	0,22%
Unskilled	R160 670,20	8	0,19%
TOTAL	R9 000 685,61	118	10,92%

Training and development

Programme/ activity/ objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of personnel cost	Number of employees trained	Average training cost per employee
Training and Development	R82 441 834,33	R41 658,75	0,05%	185	R225,18
Study Assistance	R82 441 834,33	R591 083,12	0,72%	16	R36 942,70
TOTAL	R0,00	R632 741,87	0,77%	201	R3 147,97

Employment vacancies (permanent roles)

Occupational level	Approved posts	Number of employees	Number of vacancies	Percentage of vacancies per level
Top management	6	1	5	83%
Senior management	19	13	6	32%
Professionally qualified	30	23	7	23%
Skilled technical	55	53	2	4%
Semi-skilled	8	7	1	13%
Unskilled	5	5	0	0%
TOTAL	123	102	21	17%

Employment Changes: Permanent

Occupational level	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	0	0	1
Senior management	14	0	1	13
Professionally qualified	24	2	3	23
Skilled technical	51	3	1	53
Semi-skilled	8	0	1	7
Unskilled	5	0	0	5
TOTAL	103	5	6	102

Reasons for Staff Leaving: All Staff

Reason for Staff Leaving	Number of Employees	Percentage
Death	0	0%
Resignation	6	37,50%
Dismissal	2	6,25%
Retirement	0	0,00%
Ill health	0	0,00%
Expiry of contract	4	56,25%
TOTAL	12	100%

Labour Relations: Misconduct and Disciplinary Action

Reason for Staff Leaving	Number of Employees
Verbal warning	1
Written warning	1
Final written warning	0
Dismissal	2

Employment Equity Status and Employment Equity Target 31 March 2021

Occupational Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	2	0	1	0	0	0	0
Senior management	5	7	0	2	0	0	0	0
Professionally qualified	6	9	1	1	1	1	0	2
Skilled technical	14	19	2	1	1	1	0	1
Semi-skilled	2	3	0	0	0	0	0	0
Unskilled	1	2	0	0	0	0	0	0
TOTAL	29	42	3	5	2	2	0	3

Occupational Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	2	0	1	0	0	0	0
Senior management	6	7	2	1	0	1	0	1
Professionally qualified	11	11	0	2	1	1	3	3
Skilled technical	35	27	1	2	0	2	0	2
Semi-skilled	5	5	0	0	0	0	0	0
Unskilled	4	3	0	0	0	0	0	0
TOTAL	61	55	3	6	1	4	3	6

Occupational Levels	Employees with Disabilities			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professionally qualified	1	2	0	1
Skilled technical	1	0	1	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
	2	2	1	2

5.2 LEGAL AND GOVERNANCE

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

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

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

On a quarterly basis, the unit produces a contingent liabilities report, which is tabled at the Audit and Risk Committee.

Contract management

Contract management can be said to be the effective contract administration and management of contracts made with customers, vendors, partners or employees. This involves negotiation, support and the effective management of agreements. As part of contract management, the unit reviewed all the templates of agreements that the MQA has. The unit has engaged in a process of reviewing its whole agreement management system in line with best public entity practice. The unit sends a report to all units on their agreements in order to track the progress and contract cycle of agreements. The unit engages each unit on a monthly basis on their agreements.

The unit handles all contracts on behalf of other units. The number of public procurement agreements as per the end user stakeholder group or unit are presented below:

Unit	Number
Skills Development and Research	1
Stakeholder Relations	1
IT Unit	11
Strategic Planning	3
Finance	1
Supply Chain Management	1
Monitoring and Evaluation	8
Corporate Services	1
Legal and Governance	8
Office and Facilities Management	6
Customer Service and Communication	1
Human Resources	5
MQA Board	4
TOTAL	51

The unit drafts MoUs on behalf of units. These MoUs are generally agreements that do not contain any financial obligations for the MQA and the other party to the agreement, and are sometimes used as the first step in signing an agreement. The use of MoUs is great for forming and formalising relationships with stakeholders.

List of MQA MoAs	
Unit	Total number
Stakeholder Relations	2
Learning Programmes	1
TOTAL	3

Legal Services

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

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

Number of CCMA and litigation matters			
Description	Total	Resolved	Ongoing
Number of litigation cases	10	0	10
Number of CCMA cases	7	2	5

Compliance and governance

The unit assists the MQA with compliance with its legislative and regulatory obligations. The unit advises, upon request, on the rules, practices and processes by which the MQA is directed and controlled, and advises the organisation on the best way forward in line of such prescripts.

Personnel development and management

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

5.3 CUSTOMER SERVICE AND COMMUNICATION

5.3.1 OVERVIEW

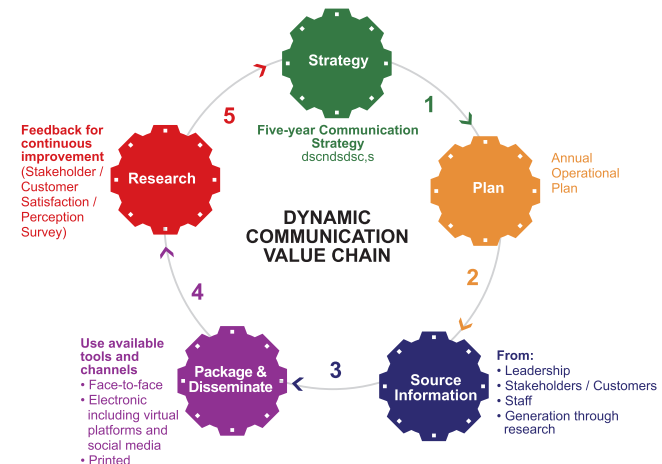
The Customer Service and Communication Unit is a key strategic unit within the MQA. During the year under review, the unit implemented all its planned activities, as well as some unplanned ones, in line with the 2016-2020 five-year Communication Strategy, Annual Operational Plan and allocated budget. The Communication Strategy was reviewed for the years 2020-2025 in line with the eight strategic priorities of the NSDP 2020-2030.

The key goals of the Communication Strategy were to do the following:

- Provide effective, accurate and reliable communication to the MQA's stakeholders by implementing structured activities in a planned and structured manner
- Position the MQA as a recognisable brand among its existing and potential stakeholders in the mining and minerals sector, as well as among its peers, government, other SETAs and the public at large
- Promote the MQA as a credible brand among its stakeholders
- Guard the reputation of the MQA by managing the perceptions of stakeholders, guided by informed research
- Maintain and implement good governance practices in the implementation of the unit's roles and duties.

5.3.2 CUSTOMER SERVICE AND COMMUNICATION VALUE CHAIN

The customer service and communication value chain is designed to ensure dynamic communication processes for well-researched decision making, good planning and a diversity of relevant information, including educational career-related information, to assist learners in their career choices. Find the communication value chain below:



5.3.3 REVISION OF THE COMMUNICATION STRATEGY

The 2020–2025 Communication Strategy was drafted and circulated to the MQA's executives and line managers from 30 June 2020. No feedback was received. A presentation was, however, requested as part of the strategic planning session on 11 August 2020 for a workshop for managers, and for the Board's strategic planning session held on 24 and 25 August 2020. As part of the consultative process, the unit conducted two workshops for all staff: a virtual event on 4 November 2020 and a face-to-face workshop on 5 November 2020. The latest information provided by the then Acting EMCS during March 2021, pertaining to the strategy, is that it will be tabled to new MQA Board members for input and approval.

It became necessary to revise the 2020-2025 Communication Strategy in line with the new deliverables under the NSDP 2020-2030 following the end of NSDS III. The previous MQA Board approved the 2016-2020 Communication Strategy coming to an end on 31 March 2020.

Once approved in line with the MQA's Strategic Plan, the DHET's APP, the Annual Communication Operational Plan and the allocated budget, the 2020-2025 Board approved the Communication Strategy to be implemented for 2020-2025.

5.3.4 RESEARCH

Biennial stakeholder satisfaction survey to facilitate feedback

A biennial stakeholder satisfaction survey is conducted to facilitate feedback from all stakeholders in all nine provinces. The last survey was conducted during the 2018-2019 financial year. The stakeholder perception survey action plan that incorporates the recommendations of the stakeholder satisfaction survey was compiled and distributed for input.

5.3.5 MARKETING AND COMMUNICATION EVENTS

A number of planned and unplanned marketing and communication events were conducted during the financial year after the lifting of the various lockdown levels. These included both internal and external stakeholder events as listed in the table on the next page.



5.3.5 MARKETING AND COMMUNICATION EVENTS

DATE	EVENT	TARGET AUDIENCE	PRESENTER'S LOCATION	PROVINCE REPRESENTED	HIGHLIGHTS
4 and 5 November 2020	My World Event	All MQA staff	Parktown, Johannesburg	MQA Head Office and six regional offices	- The workshop event was hosted by the Customer Service and Communication Unit. - The event focused on presenting the draft Communication Strategy to staff members, as well as to gather any critical and outstanding inputs from staff members
29 January 2021	Virtual Annual Consultative Conference	All MQA stakeholders	Parktown, Johannesburg		- This was the first mass virtual event conducted by the MQA. - At least 250 delegates connected to the event with 22 delegates completing evaluation forms. - The Chief Inspector of Mines and Chairperson of the MQA Board, Mr David Msiza, presented the keynote address on behalf of the Honourable Minister of Mineral Resources and Energy, Mr Gwede Mantashe. - A very successful event was held. - Positive feedback was received from the feedback questionnaires received.
12 March 2021	Virtual Stakeholder Engagement Webinar	All MQA stakeholders	Parktown, Johannesburg	All nine provinces	- This was a virtual webinar. - At least 391 delegates connected to the event, with 31 delegates completing evaluation forms. - The event was hosted by the MQA's Acting CEO to provide feedback on the MQA's performance, as well as other operational activities within the MQA. - A very successful event was held. - Positive feedback was received from the feedback questionnaires received.
24 March 2021	My World Event	All MQA staff	Parktown, Johannesburg	MQA Head Office and six regional offices	- The event was hosted by the Customer Service and Communication Unit. - The event focused on the 4IR and how it has started to impact businesses locally and worldwide. - The platform was created to educate staff members on how to start adapting to the changes brought about by this new technological approach in conducting day-to-day business and highlighting the technological advancements the MQA may need to consider to ensure it is aligned to the new world of work, including how covid-19 has fast-tracked the need to evolve. - The Information Technology Unit delivered a presentation on the MQA's long-term Technological Strategy. - The Customer Service and Communication Unit provided information on the 4IR and available technologies, technological communication and other tools that will be available to the MQA in the future. - An external stakeholder, presented the technological tools available in training and mining operations. He shared a presentation on virtual mining training tools.

5.3.6 PRINTED MEDIA

Advertisements

The MQA publishes advertisements to promote its services, communicate new developments and to invite stakeholders to various skills development activities taking place. A total of **27** adverts were published during the year under review, which included tenders, marketing, promotional and recruitment advertisements.

The following advertisements were placed:

No.	Date	Media	Advert published	Unit	Type of
1.	8 May 2020	Government Gazette	Request to book advertising space to publicise the extension of the closing date for the insurance services in line with the guidelines issued by National Treasury to 4 June 2020	Supply Chain Management	Tender
2.	12 June 2020	Government Gazette	MQA/01/20-21: Appointment of outsourced internal audit function of the MQA	Supply Chain Management	Tender
3.	2 August 2020	Sunday Times	Call for applications for a research partner under the MQA's Discretionary Grant projects for 2020-2021	Strategic Planning	Grants
4.	7 August 2020	Government Gazette	MQA/02/20-21: The MQA requires the services of a Microsoft-accredited company to provide Microsoft Office 365 E5 licences and migrate Microsoft Exchange 2010 mailboxes to the cloud environment.	Supply Chain Management	Tender
5.	31 August 2020	ISETT Careers SA	Pursue a rewarding career in the mining and minerals sector	Customer Service and Communication	Marketing
6.	1 October 2020	Provincial Government Handbook	Skilling the future of the mining and minerals sector	Customer Service and Communication	Marketing
7.	12 October 2020	The Herald (Eastern Cape)	Applications now open for the MQA 2020 bursary scheme intake: Unemployed bursary applicants	Learning Programmes: Strategic Projects (Bursary)	Applications
8.	14 October 2020	The Star (Gauteng)	Applications now open for the MQA 2020 bursary scheme intake: Unemployed Bursary applicants	Learning Programmes: Strategic Projects (Bursary)	Applications
9.	14–20 October 2020	Capricorn Voice (Free State)	Applications now open for the MQA 2020 bursary scheme intake: Unemployed bursary applicants	Learning Programmes: Strategic Projects (Bursary)	Applications
10.	15 October 2020	Bloemfontein Koerant (Free State)	Applications now open for the MQA 2020 bursary scheme intake: Unemployed bursary applicants	Learning Programmes: Strategic Projects (Bursary)	Applications
11.	15 October 2020	The Lowvelder (Mpumalanga)	Applications now open for the MQA 2020 bursary scheme intake: Unemployed bursary applicants	Learning Programmes: Strategic Projects (Bursary)	Applications
12.	16 October 2020	The Rustenburg (North West)	Applications now open for the MQA 2020 bursary scheme intake: Unemployed bursary applicants	Learning Programmes: Strategic Projects (Bursary)	Applications
13.	16 October 2020	Diamond Fields Advertiser (Kimberley)	Applications now open for the MQA 2020 bursary scheme intake: Unemployed bursary applicants	Applications	Applications
14.	16 October 2020	Government Gazette	MQA/01/19-20: Notice for cancellation of the ERP tender	Supply Chain Management	Tender

Advertisements placed (continued)

No.	Date	Media	Advert published	Unit	Type of
15.	16 October 2020	Government Gazette	Awarding of tender MQA/01/20-21 (Internal audit function for the MQA) to OMA Chartered Accountants Inc.	Supply Chain Management	Tender
16.	16 October 2020	Government Gazette	Awarding of tender MQA/06/20-21 (the appointment of a short-term insurance broker for the MQA) to Sankofa Insurance Brokers (Pty) Ltd	Supply Chain Management	Tender
17.	25 October 2020	City Press	Call for applications for Discretionary Grants (2020) (OHS covid-19 training)	Strategic Planning	Grants
18.	31 October 2020	SAIMM Journal	Facilitating skills development opportunities for a rewarding career in the mining and minerals sector	Customer Service and Communication	Marketing
19.	November 2020	Inside Mining	Providing skills for a transformed mining and minerals sector	Customer Service and Communication	Marketing
20.	13 December 2020	City Press	Call for applications for Discretionary Grants (fourth window)	Strategic Planning	Grants
21.	24 January 2021	City Press (Tenders)	Invitation to the MQA's Virtual Annual Consultative Conference event	Customer Service and Communication	Stakeholder event
22.	24 January 2021	Sunday Independent	Invitation to serve in one of two committees of the MQA	Corporate Services	Request for applications
23.	31 January 2021	Sunday Times (Business Times)	Call for applications for MQA Discretionary Grants (2021-2022)	Strategic Planning	Grants applications
24.	24 February 2021	Business Day	MQA Board: Call for nominations	Corporate Services	Request for applications
25.	28 February 2021	Sunday Times (Tenders)	MQA Board: Call for nominations	Corporate Services	Request for applications
26.	28 February 2021	City Press (Tenders)	MQA Board: Call for nominations	Corporate Services	Request for Applications
27.	7 March 2021	Sunday Times (Business Times)	Invitation to attend the 2021 Stakeholder Engagement Webinar	Customer Service and Communication	Stakeholder event

MQA newsletter (printed and electronic flip book)

The *MQA News* continues to be one of the communication tools that stakeholders regard as a positive communication medium that keeps them informed about the MQA. One printed newsletter was compiled during the year under review, with a total of **500** printed copies distributed to companies, training providers and learners on MQA programmes.

The electronic version of the newsletter was distributed to all stakeholders via email. This was also uploaded onto the MQA's website and the MQA's social media accounts.

Although four editions are planned annually, the absence of service providers on Central Supplier Database (CSD), the appointed service provider not being able to fully execute the work and subsequently withdrawing from the contract, as well as the fact that the procurement of a panel of service providers was not approved, only one "bumper" issue was published.

Staff and stakeholder communiqués

The MQA produces staff and stakeholder communiqués to communicate pertinent information related to the business of the MQA. During the year under review, in excess of 50 staff and 26 stakeholder communiqués were compiled and distributed.

Annual Report Compilation

The annual report was compiled during the financial year under review. The Board members and all the departmental executives and unit line managers were afforded the opportunity to contribute to the report. Due to the covid-19 Regulations, the final annual report's submission date to Parliament was extended to 30 October 2020 and later brought forward on 5 October 2020 to 23 October 2020 for the submission of an electronic copy. Printed copies and CDs were also produced as the procurement process in this regard was concluded. The print run was 700 printed copies and 350 DVD copies. The report was also uploaded onto the MQA's website. The annual report was presented to the stakeholders at the virtual Annual Consultative Conference that was held on Friday, 29 January 2021.

Marketing materials (printed)

The MQA produces a range of marketing materials, such as brochures, to inform stakeholders about the role of the MQA, and learning programmes that the MQA has available as part of its discretionary projects in which they should participate. This material also highlights the benefits of skills development, as well as other programmes such as career guidance that take place as part of the services of the organisation.

A range of materials were produced during the financial year within the budget allocated. Due to limited service providers on the CSD, there were insufficient opportunities to print all the materials desired.

5.3.7 ELECTRONIC MEDIA

Video conferencing

As a result of the absence from the physical workspace due to the covid-19 lockdown, the unit communicated with other units, and as part of the covid-19 task teams, using other means such as video conferencing on the Zoom platform. This has proven effective in allowing work and interactions to continue in the absence of face-to-face engagements in the workplace. Unit meetings also continued to take place during the quarter on Zoom.

Email

To ensure ongoing communication during the lockdown, those with allocated tools of the trade did not encounter interrupted communication efforts and continued to receive key communication messages in the organisation. Other staff were later also provided with tools of the trade from May 2020 as email became the "go-to" tool to engage with the organisation.

Website maintenance

The MQA website remains one of the key channels through which the MQA disseminates information to its stakeholders and is viewed as a reliable source of information. It captures current, reliable and accurate organisational information that can be accessed and used by all its stakeholders. Management information systems such as the MQA-I-Share system and the WSP-ATR are housed on the website. These systems are used by stakeholders to register and administer various projects and learning programmes. The Customer Service and Communication Unit continued to be responsible for the content management of the website.

Due to the introduction of new website technology, as well as limited access to the maintenance of the website, the MQA's website is no longer current in relation to most progressive websites in terms of its functionality. Increased interactivity also needs to be ensured. This is in the planning stages with the Information Technology and Customer Service and Communication units, subject to available budgets.

The total number of updates from various units was as follows:

Unit	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Customer Service and Communication	1	-		8
Supply Chain Management	1	1	1	3
Skills Development and Research	1	-	1	2
Quality Assurance	-	1	1	2
Learning Programmes	-	1	-	3
Corporate Services	-	-	-	3
Strategic Planning	-	1	1	-
Office of the Chief Operating Officer	1	-	-	-

The MQA uses social media as one of the tools to communicate with its stakeholders and subscribes to three platforms: Facebook, Instagram and Twitter. To facilitate understanding of the various platforms, the following definitions have been highlighted:

Page Followers	Posts	Audience Engagements	User Reach	Impressions
Stakeholders who have opted-in to "follow" your company's profile or page, meaning that they will receive your updates in their timeline.	Content and pictures uploaded	Each time an action takes place, such as clicking, liking, reading, resubmitting, trending, resending, replying to, following or retweeting any post or image	On Facebook, this refers to the number of people who had any content from the MQA's Facebook page or about the page appear on their screen. This includes posts, check-ins, adverts, social information from people who interact with the page and more.	The number of times a post is displayed on a user's feed, including the number of times the user sees the same update or when a friend shares the same post.

Below is a summary of the social media activities on the MQA's social media platforms.

Facebook

Platform	Page Followers	Posts	Audience engagements	User Reach	Impressions
Facebook	2 823	111	141 462	762 856	4 843 654

Best-performing Facebook posts

Quarter 1	Quarter 2	Quarter 3	Quarter 4
Post on information about the MQA's funded bursary students and the reasons for the non-payment of their allowances.	Post announcing the application window for learners and students to apply for the MQA bursary for the 2021 funding opportunities.	Post requesting currently funded MQA bursars to apply for funding during the 2021 academic year.	Two posts on: - Announcing the vacant post of Regional Office Assistant. - The opening of the virtual Annual Consultative Conference event.

Twitter

Platform	Page Followers	Posts	Audience engagements	Impressions
Twitter	429	101	1 049	34 197

Best-performing tweets

Quarter 1	Quarter 2	Quarter 3	Quarter 4
Tweet urging MQA stakeholders to comply with covid-19 regulations.	Tweet wishing the Honourable Minister of Mineral Resources and Energy a speedy recovery after he had tested positive for covid-19.	Tweet wishing the matriculating class of 2020 good luck with their exams in spite the compromised academic year due to covid-19.	Tweet acknowledging the Acting Regional Manager for the Limpopo and Mpumalanga offices presenting at the virtual Learning Programmes Implementation Workshop event.

Instagram

Platform	Page Followers	Posts	Audience engagements	Impressions
Instagram	764	81	444	8 097

Best-performing Instagram posts

Quarter 1	Quarter 2	Quarter 3	Quarter 4
Post celebrating Youth Day on 16 June 2020.	Post wishing the Honourable Minister of Mineral Resources and Energy a speedy recovery after he had tested positive for covid-19.	Post wishing the matriculating class of 2020 good luck with their exams in spite the compromised academic year due to covid-19.	Chief Risk, Monitoring and Evaluation Officer (Acting) presenting at the virtual Annual Consultative Conference event.

The page followers on the various platforms grew over the period under review. The Customer Service and Communication Unit consistently monitors comments on social media in order to safeguard the reputation of the MQA and engages with concerned units where challenges exist. Key to the success of corporate social media is the securing of “paid for” boosting services, as well as allocating influencers that will become a necessity for future growth going forward.



5.3.8 MEDIA MONITORING

The media monitoring service serves to monitor the media for coverage of news, advertisements and tenders relevant to the MQA. When advertisements or articles are published by the MQA, the service is often able to provide proof of publication. It also serves to monitor the reputation of the MQA, whether positive or negative.

5.3.9 CUSTOMER SERVICE

The customer service role within the MQA includes the management of the customer relationship management (CRM) system, frontline face-to-face and telephone monitoring at the MQA's receptions, as well as conducting research on stakeholder perceptions.

Customer relationship management

The MQA's CRM system is a **reactive measure**, which focuses on the following:

- The reactive creation of cases on resolved interactions by the units
- The reactive recording of cases for purposes of generating reports
- The reporting of stakeholder interactions through the availability of reports, and tracking case resolutions by engaging with the units if not resolved
- Ensuring that the trends and the types of cases received are monitored and reported on in quarterly Customer Service and Communication Unit reports and the unit's managers are informed where challenges exist
- Being an engagement platform with the allocated CRM Unit representatives who consolidate and submit resolved cases on behalf of the units.

The system evaluates and monitors the precision of engagement between the various units and stakeholders. The monthly generated reports highlight the resolved cases submitted by the units and those that are pending. Every stakeholder complaint received from the units, already resolved, is assigned a case number by the CRM administrator to enable the stakeholder to follow up using the case reference number if the query is not resolved sufficiently and for purposes of follow through. The MQA has not reached a stage where all customer queries can be effectively resolved and recorded on a sustainable basis, but largely records email enquiries on the system.

A total of 3 062 queries were captured on the CRM system. The majority of these cases were submitted by the CRM Unit representatives already resolved for capturing by the Customer Service and Communication Unit for purposes of record keeping and reporting.

The total number of email cases uploaded and resolved by the units throughout the year are as follows:

Cases recorded per unit during 2020-2021										
Skills Development and Research	Bursary	Quality Assurance	Operational Learning Programmes	Strategic Learning Programmes	Limpopo	Mpumalanga	Eastern Cape	Northern Cape	North West	Free State
444	890	1 439	83	5	3	145	1	8	9	33
3 062										
Finance										
2										

Types of queries recorded per unit	
Skills Development and Research • Inter-SETA transfers • Confirmation of WSP-ATR status • Applications for registration of SDFs	Bursaries • Bursary application form for 2020-2021 • Allowance and tuition issues
Quality Assurance • Re-printing of certificates • Verification of trade certificates • Moderator and assessor registration forms • List of skills programme and unit standards • Stakeholders requesting learning material • Stakeholder requesting the statement of results • Guidelines on accreditation	Strategic Planning • Booking for MQA-I-Share training Learning Programmes - Strategic • Application forms and information on internships • Accommodation issues • Applications for work experience
Learning Programmes - Operations • Grant application forms for 2020-2021 • Terminations and extension of agreements • Remittance of grant payments	MQA Regional Offices • Re-printing of certificates, verification of trade certificates • Moderator and assessor registration forms • Requests for statement of results

It is imperative for the MQA to consider an organisation-wide CRM system for greater effectiveness, as was previously recommended by International Organisation for Standardisation (ISO) advisers, as well as the stakeholder satisfaction surveys over the years. The planned enterprise resource planning (ERP) system by the Information Technology Unit has been put on hold following a directive from the DHET to investigate the development and implementation of a SETA-wide, linked ERP system, which would have included the CRM system.

Frontline and telephone services

Telephone services – Head Office

The MQA's key offering is service. Professionalism among its frontline staff is emphasised in its company values. The number of telephone calls received, as well as those not attended to, is monitored through a report generated by an external service provider, Comtech. A total of **17 192** calls were received at Head Office for the year under review and **8 710¹** calls were answered. What continues to be of concern for the MQA is the number of unanswered calls, which was **4 578** for the year under review.

Frontline “walk-in” report and ongoing “on the spot” stakeholder feedback

The number of visitors that access the MQA is monitored through a manual registration system at all MQA receptions. A total of **2 033** walk-ins² were recorded by the MQA for the year under review. This figure is broken down as follows:

Number of walk-ins during the financial year							TOTAL
Head Office	Eastern Cape	Free State	Limpopo	Mpumalanga	Northern Cape	North West	All MQA offices
1 208	65	146	196	233	100	85	2 033

- ¹ Due to the covid-19 requirement of working from home, the receptionists were using external handsets, which could not break down the total of answered and unanswered calls during the period 1 April to 30 June 2020.
- ² Due to the national lockdown, all MQA Offices were closed and no visitors visited the offices during Quarter 1 (from 1 April to 30 June 2020).

5.3.10 CAREER GUIDANCE

Career guidance is an APP deliverable for the MQA. During the 2020-2021 financial year, a target of 90 was set. This target has split among the Customer Service and Communication Unit and the regional offices providing a service to the provinces.

During the first two quarters of the financial year, no career guidance activities could take place because of the national lockdowns imposed. During Quarter 3, the MQA requested a proposed revision of the APP deliverable as all institutions of learning were closed, resulting in learners being inaccessible. The target was amended to the institutions reached, as well as educational materials distributed.



Below are the achievements of the Customer Service and Communication Unit for the financial year:

Gauteng career guidance achievements

A total of 17 institutions were reached with career guidance related information as per the table below:

No.	Date	Name of institution /school	Area	No. of schools	No. of days
1	28 October 2020	Fons Luminis Secondary School	Diepkloof	1	1
2	30 October 2020	Fedilitas Comprehensive School	Diepkloof	1	1
3	30 October 2020	Madibane High School	Diepkloof	1	1
4	30 October 2020	Winners Maths and Science	Diepkloof	1	1
5	2 November 2020	St. Barnabas School of Specialisation	Bosmont	1	1
6	2 November 2020	Westbury Secondary High School	Westbury	1	1
7	2 November 2020	Chris J. Botha Secondary High School	Bosmont	1	1
8	11 November 2020	Maths Centre	Braamfontein	1	1
9	18 November 2020	Thaba-Jabula Senior Secondary High School	Klipspruit	1	1
10	18 November 2020	Musi Comprehensive School	Pimville	1	1
11	18 November 2020	Progress Comprehensive High School	Pimville	1	1
12	30 November 2020	Noordgesig Secondary School	Noordgesig	1	1
13	30 November 2020	Riverlea Secondary School	Riverlea	1	1
14	15 March 2021	Hoerskool Roodepoort	Roodepoort	1	1
15	15 March 2021	Queens Park Schools	Roodepoort	1	1
16	15 March 2021	Hoerskool Florida	Roodepoort	1	1
17	15 March 2021	Victory House High School	Roodepoort	1	1

5.4 FACILITIES AND OFFICE MANAGEMENT

The Facilities and Office Management Unit's role is to operate buildings as effectively and efficiently as possible, while maintaining their appearance, and to provide a clean, safe and healthy work environment, while planning the efficient use of space. Services performed by the Facilities Department include, but are not limited to full preventative maintenance programmes, routine and emergency repairs, OHS Act and Building Code compliances, electrical, plumbing, refrigeration, heating, ventilation and air-conditioning (HVAC) installation and repair, the management and maintenance of the security system, camera and hardware maintenance, running of the electronic security systems, including card access, and key inventory. The Facilities and Office Management unit also manages and maintains the fleet of pool vehicles.

During the year under review the unit experienced various resource challenges. The unit continues to uphold high operational standards in order to protect and enhance the value of the MQA's immovable assets, while safeguarding business continuity and environmental sustainability.

The Facilities and Office Management Unit's value chain is therefore mainly driven by relevant statutory requirements and the needs of the MQA's employees, both of which form the basis of an ideal Facilities Management Framework (i.e. policies, facilities strategy and operational plans).

The 2020 fiscal year was a time of continued improvement and advancing closer to the achievement of our shared vision of becoming an organisation of excellence. The past year contained many key accomplishments, including the implementation of a healthy workplace, space planning, and the implementation of planned preventative maintenance.

The Facilities and Office Management unit understands that it can contribute in meaningful, measurable ways to the mission of the MQA. It utilises key performance metrics, survey feedback and collaboration with departments to ensure that it is achieving the objectives that are important to both the MQA and its stakeholders.

By achieving these broad strategic objectives, the Facilities and Office Management unit will successfully achieve its mission and vision for the organisation to become recognised for providing excellence in the management of its facilities.

Objective 1: Customer focus

- Create a customer-oriented organisation that is focused on building and sustaining relationships that ensure that customer needs are understood and acted upon.

Objective 2: Employee focus

- Cultivate an environment of creativity, growth, knowledge and innovation that generates a workforce that is highly motivated, well trained and effective.

Objective 3: Performance (service delivery)

- Assess performance using established standards, information and analysis to evaluate and drive innovation and cost improvements
- Provide timely, accurate and meaningful communication that creates connectivity and collaboration both internally and externally
- Develop processes, procedures and technology that will continuously evolve to meet current and future needs to ensure efficient and effective service

Objective 4: Planning and financial

- Establish strategic goals, annual operating objectives and key performance indicators to align the organisation to achieve success
- Demonstrate stewardship by providing efficient and effective services and the maintenance of assets and facilities

Objective 5: Sustainability

- Demonstrate responsible leadership in sustainable and environmentally friendly practices

The unit continuously strives to meet the minimum workplace requirements despite the challenges with the Covid-19 pandemic. It remains confident in its ability to effectively support the mission and strategic goals of the MQA. The unit strives to provide the highest-quality environment for the facility and staff, despite the ventilation issues it is experiencing.

The overall performance of the unit is deemed to be fairly good. The unit's focus in some areas has been purely operational and the requisite strategic activities were omitted, but will be the main focus in the upcoming year. The upcoming year will focus on critical aspects, such as workspace standards, planned preventative maintenance, and the replacement and maintenance of the aging HVAC system.

The Facilities and Office Management unit developed a preventative maintenance plan for the prevention of major failures by correcting and detecting minor problems within unit systems. The purpose of the plan is to provide scheduled activities that will be executed during the financial year. This ensures that, as a unit, it remains committed to the continuous delivery of quality services in facilities administration, maintenance and operations. Included in the maintenance plan are critical units such as the HVAC system, generator, uninterrupted power supply (UPS) and fire suppression, to name a few.

The MQA is subject to the provisions of the OHS Act, which requires employers to provide and maintain, as far as is reasonably practicable, a workplace that is safe and without risk to the health of its employees, stakeholders and suppliers. The MQA has the responsibility to provide a safe and healthy work environment for its employees, stakeholders and suppliers. As part of the commitment to achieving the principles of health and safety in the workplace, the unit recognises the moral and legal responsibility to provide such a safe and healthy work environment. This commitment extends to ensuring that the MQA's operations and activities do not place the local community or environment at risk of injury, illness or damage.

In order to maintain compliance with the standards of the OHS Act, the MQA appointed health and safety representatives to ensure the functioning of the Health and Safety Committee, and the overall responsibility to provide a safe workplace and promote environmental sustainability.

Due to Covid-19, the Facilities and Office Management unit looked at strengthening occupational safety and health administration programmes that prioritised designing and re-designing workplaces and workspaces that are safe, healthy and productive, and thus implemented a healthy workplace solution. It completed a risk assessment and developed a workplace plan, outlining the protective measures in place for the phased return of employees before opening. While Covid-19 abruptly upended normal work routines, it also caused an acceleration of trends that were already underway, involving the migration of work to online or virtual environments.

The management of contracts and SLAs within the Facilities and Office Management unit refers to the management of the various suppliers that provide services to the MQA with the focus on the general improvement of the organisation's service facilities.

The Facilities and Office Management unit monitors and co-ordinates contractual activities such as cleaning and hygiene services, document management, the routine and annual maintenance of the HVAC system and generator, and courier services.



SECTION 6: INFORMATION TECHNOLOGY



6.1 OVERVIEW

The Information Technology Unit is responsible for providing information and communication technology (ICT) infrastructure, computers, application software and mobile communication, and is the first line of support for all the tools of the trade to achieve, acquire and use ICT in a manner that achieves the following:

- Aligns the ICT strategy to the organisational strategy
- Leverage economies of scale to provide for cost-effective ICT services
- Ensure the interoperability of the organisation's information systems with information systems of other institutions to enhance service delivery
- Ensure security of MQA information systems
- Utilises ICT to develop and enhance the delivery of services at the MQA
- Aligns the use of ICT by staff to achieve optimal service delivery

6.2 INTRODUCTION OF THE INFORMATION TECHNOLOGY STRATEGY

The MQA's 2020–2025 ICT Strategy describes the technology approach that will facilitate the MQA's vision to have a competent health and safety-orientated mining and minerals sector workforce. The MQA will achieve this through the digitalisation of the organisation and by ensuring that its digital services and enterprise systems have a modern, robust technological footing. It supports the innovation strategy in its aim to transform the collection and presentation of digital resources and take the MQA to a new operating model. It also seeks to define the vision and overall direction of the journey towards the deployment and exploitation of the organisation's ICT capabilities.

The strategy is business-centric and fully aligned with the MQA's 2020–2025 strategic plans, goals and objectives. It will ensure that the IT Unit's future technology and service delivery adapts to the evolving and ever-changing needs of the time.

The strategy aims to put infrastructure and cloud services in place that will enable the MQA's staff, stakeholders and the public to communicate effectively, collaborate and share information. Engagement, collaboration and partnership with the MQA's business community, peer organisations, government and technology suppliers is central to the strategy and enables the development of the IT organisation in meeting all its customers' needs and responding effectively to evolving technologies.

The strategy emphasises IT service excellence through the establishment of methodologies and industry best practice, such as the IT Infrastructure Library and Agile, which will drive improvements in IT process design and service delivery.

It recognises that people are at the heart of IT transformation and digital exploitation. Therefore, the IT Unit invests in career development and the adoption of new skills for the benefit of its staff and for the MQA in serving its stakeholders.

In order to support the IT Unit's corporate objective of increasing its ability to recognise and exploit new digital and commercial opportunities and become a digital organisation by instinct and design, the IT Strategic Plan emphasises exploiting opportunities to work in partnership with technology suppliers and the government to develop services that are delivered in the most effective and efficient manner.



6.3 WORKING FROM HOME

Implement a work from home routine

Working from home presents a different set of challenges to working from an office environment. This is because of existing home distractions and the lack of socialisation with co-workers in a conventional work setting. During the year under review, the MQA's line managers were tasked with explaining and encouraging the setting up of home office workspaces for its employees, and arranging for resources that would ensure that employees working from home could establish a routine, adhere to it, and be in a working mode when fulfilling their job deliverables.

Maintain work connection

While it may be tempting to view distance from the workplace as distance from workplace values, it is easy to feel isolated and still manage to engage with work colleagues by means of video conferencing, phone calls and sending emails. This maintains a collaborative spirit with other workers that maintains a consistent and constant interaction in related work tasks.

6.4 CYBER SECURITY

Since employees play a significant role in making sure the company is protected from cyber threats, the MQA uses a security strategy/policy to protect the MQA's employees, customers and data from growing cybersecurity threats. It implements this by training employees in security principles, and establishing basic security practices and policies for employees, such as requiring strong passwords, and establishing appropriate internet use guidelines and rules of behaviour that describe how to handle and protect customer information and other vital data from cyber-attacks.

It protects information, computers and networks from cyber-attacks by providing firewall security for the internet connection, which prevents outsiders from accessing data on a private network. If employees work from home, the IT Unit ensures that their home systems and machines are protected by a firewall. It also ensures that the MQA does not provide any employee with access to all data systems. Employees are only given access to the specific data systems that they need to perform their jobs.

In order to prevent unauthorised installations that might lead to cyber-attacks, employees are not given the rights to install any software without permission.

Finally, the unit is faced with the issue of change management that is prevalent in the organisation, whereby end users become resistant to new technologies that are introduced in the organisation. End users find it difficult to progress from old systems. As a result, they resist change, which is inevitable.

6.5 CONCLUSION

The IT Unit's business ethics culture is a good one. Policies and procedures are in place to guide the unit to govern appropriately and to engender morals, values and ethics in the organisation's IT personnel, so that the unit can conduct its business in an exemplary and professional manner. Information and communication technology makes a business more efficient, effective and prompt to respond to business needs by ensuring that systems are always fully functional.



SECTION 7:

RISK, MONITORING AND EVALUATION



Strategy is inextricably intertwined with monitoring and evaluation (M&E). In order to determine the impact of the MQA's return on investment in the mining and minerals sector's training programmes, against the number of people trained, the Board established the Risk, Monitoring and Evaluation Unit. It is an integral part of the MQA's value chain and its contribution towards, among other things, organisational strategy, planning, monitoring, impact assessment and evaluation, and risk management enables the organisation to track its impact on skills development in the sector.

The unit's key roles and responsibilities focus on providing strategic support to the MQA to achieve the following goals:

- Monitoring compliance with the MQA's policies, procedures and legislation throughout the MQA and its service providers.
- Ensuring the validation of actual performance against source documents prior to the information being submitted and reported to the executive authority.
- Conducting site visits (physical or desktop verification) to the MQA's levy-paying companies and other projects to ascertain the following in respect of all learners that are eligible for grants:
 - Accuracy
 - Existence
 - Completeness
 - Compliance with relevant legislation and MQA policies

- Utilising a risk-based approach, which, among others, takes up the issues raised in previous reports, and the adequacy and effectiveness of existing compensating controls and programmes, taking specific challenges into consideration.
- Conducting evaluation to ensure the relevance, effectiveness and efficiency of the MQA's policies, and that the project methodologies selected are designed to achieve the organisation's strategic objectives
- Ensuring that the MQA adopts a zero-tolerance approach to fraud and corruption. This applies to both internal and external parties.

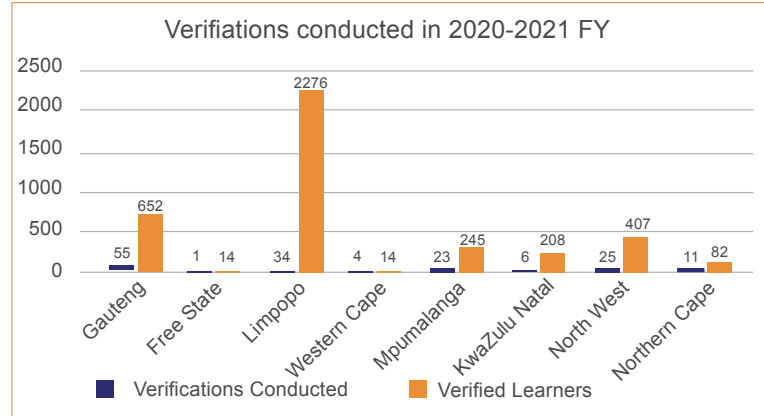
7.1 MONITORED PROJECTS

Monitoring is an ongoing process that focuses on the assessment of projects, programmes and day to-day activities and deliverables that are required for achievement and performance. It is for this reason that the unit conducted 159 learner verifications to ascertain whether learners are eligible for grants and are receiving training as per their training plans, MoAs and SLAs signed with the MQA. A total of 3 898 verified learners in nine different projects was monitored.

Against the annual target of 100%, the unit monitored 100% of the projects that the MQA can monitor as all the programmes were monitored during the financial year.

The table below reflects the number of times programmes that could be monitored were verified in the current financial year:

Verifications conducted and learners verified in 2020-2021 per province



The spread of the verified learners per programme

The spread of the verified learners per programme										
Learning programme	Gauteng	North West	Limpopo	Northern Cape	Mpumalanga	KZN	Free State	Western Cape	Eastern Cape	Totals
Artisans	3	18	10	43	33	-	14	-	-	121
Internships	180	48	50	39	57	12	-	8	-	394
Lecturer Support	1	-	-	-	-	-	-	-	-	1
NCV TVET SUPPORT	-	14	122	-	14	-	-	-	-	150
Non-artisan	-	-	3	-	-	-	-	-	-	3
Mine community/ unemployed youth	269	268	2 069	-	93	180	-	-	-	2 879
Non-artisan: Jewellery	24	-	10	-	-	-	-	-	-	34
Work experience	169	53	12	-	44	16	-	-	-	294
MDP	6	6	-	-	4	-	-	6	-	22
TOTALS	652	407	2 276	82	245	208	14	14	-	3 898

7.2 TRACER STUDIES

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

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

- Adult education and training
- Work experience
- Management Development Programme

These tracer studies were approved by the MQA Board on 26 February 2021.

7.3 AUDIT TRACKING

During the year under review, the external audit tracking registers for both the 2018-2019 audit report, as well as the 2019-2020 interim audit report were developed and monitored. Management was assisted in developing action plans that do not only consider the external auditors' recommendations, but most importantly address root causes so as to prevent recurrence. The status on the tracking registers was presented to management, the Risk Committee, the Audit and Risk Committee and the Board.

7.4 PERFORMANCE MANAGEMENT

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

7.5 RISK MANAGEMENT

The MQA Board has approved the Risk Management Policy and Strategy. As part of policy implementation, the strategic and operational risk registers were compiled subsequent to the risk assessment workshops that were held, and approved by the Board during the 2019-2020 financial year. Risk assessment exercises are conducted once a year and the registers are updated regularly with the review of the residual risk as and when the implementation of the action plans necessitates this. Emerging risks are considered when registers are updated. Risk registers are presented to the Risk Committee, the Audit and Risk Committee and the Board on a quarterly basis.

7.6 FRAUD AND CORRUPTION PREVENTION ACTIVITIES

The MQA has adopted a zero-tolerance approach to any form of fraudulent activities. To this extent, a fraud hotline is operational and the external service provided supplied fraud hotline reports on a monthly basis.

The reports were presented to the Risk Committee, the Audit and Risk Committee and the Board on a quarterly basis. The MQA has also revised its Fraud and Corruption Policy. The MQA Board approved the revised policy on 26 February 2021 as a mitigating control that is monitored and reported on to governance structures.

7.7 POLICIES AND FRAMEWORKS

The following approved policies and strategies are being implemented:

- Monitoring and Evaluation Policy Framework
- Risk Management Policy and Strategy
- Revised Fraud and Corruption Policy
- Compliance Policy
- Combined Assurance Policy and Strategy



SECTION 8: REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (Committee) is pleased to present its report for the financial year ended 31 March 2021.

Background

The Committee is a sub-committee of the Board constituted in terms of Section 51(1) (a) (ii) and 76(4) (d) of the Public Finance Management Act (PFMA), read together with the National Treasury Regulation 27(1). The role and responsibility of the Committee are provided for in its Terms of Reference and any other duties delegated to it from time to time by Accounting Authority (the Board).

Terms of Reference

The Committee has adopted formal Terms of Reference (Charter), which were approved by the Board. Furthermore, the Committee reports that it regulated its affairs and discharged its responsibilities in compliance with its adopted Charter and the PFMA, read in conjunction with the National Treasury Regulations.

The Committee has discharged its functions through attendance of Committee meetings and discussions with Executive Management, Internal Audit, Auditor-General of South Africa and relevant external advisers where appropriate. The Committee is required to meet at least four times per annum, with the authority to convene special meetings as circumstances might require.

Membership and attendance

The Committee's Charter prescribe that it be constituted by three independent members as well as representatives from each constituency, which includes the state, organised labour and organised employers. For the financial year under review, the Committee met four (4) times, as per its terms of reference which require a minimum of four meetings per annum. The Committee also convened Nine (9) special meetings executing Board special request on some technical issues. Below are details of meetings held during the year under review:

MEMBER	CONSTITUENCY	MEETINGS ATTENDED														FEES RECEIVED
		29-May-20	09-Jun-20	16-Jun-20	24-Jun-20	14-Jul-20	18-Jul-20	23-Jul-20	26-Jul-20	23-Sep-20	28-Oct-20	25-Nov-20	28-Jan-21	31-Mar-21		
J. Hugo	Organised labour														-	
A Jatham	Organised labour														-	
A. Teteme	MQA Board Representative	✓						✓		✓	✓	✓	✓		Refer to AFS	
M. Ally	MQA Board Representative	✓						✓		✓		✓	✓		Refer to AFS	
J. Broderick	Organised Employ employers														-	
D Morabe	State representative														-	
M Mphuthi	State representative														-	
M Mbonambi*	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	128 352,00	
Adv J C Weapond	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	97 776,00	
B Mbewu**	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	136 800,00	

* Chairperson of the Audit & Risk Committee

** Chairperson of Risk Management Committee

The Members of the Committee has the required qualifications, skills and experience in business, finance, accounting, internal audit, risk management, information technology, legal and compliance management.

The Role and Responsibilities of the Committee

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

The Chairperson (on behalf of the Committee) reports to the Board on a quarterly basis, regarding the Committee's deliberations, decisions and recommendations in line with the approved Charter.

The key focus areas of the Committee for the 2020-2021 financial year includes the following:

- Provide assurance over the integrity of the MQA's financial statements and accounting policies;
- Provide assurance on the effectiveness of the internal control, governance and risk management systems;
- Review the internal audit, risk management, compliance and the IT control environment;
- Review of key risk and opportunity management, including mitigation plans;
- Monitor the performance against predetermined objectives/ performance information.

Internal Audit

During the year under review, the internal audit function was outsourced to a service provider. The Internal Audit Charter and the Internal Audit Plan were approved by the Committee in accordance with the Internal Auditing Standard and its Charter. The Committee hereby confirms that the internal audit function has unrestricted access to all documents it requires to fulfil its function.

For the year under review the Internal audit function focused on key areas of risk, weaknesses which revealed control deficiencies within managements processes. The Board have agreed with the recommendations and findings of internal audit, Auditor-General and the Committee.

The Effectiveness of Internal Control Environment

The Committee noted the slight improvement in the internal control environment, despite the regress on performance information. The findings which constitute an emphasis of matter includes restatement

of corresponding figures. The MQA has not yet attained the desired audit outcome due to material misstatement on the Annual Financial Statement and predetermined objectives as required section 55 of the PFMA. The Committee intends to enhance its oversight on the action plan and the process of preparing the Annual Financial Statements and annual performance information report.

The Committee acknowledges the AGSA's team who executed the audit under the covid-19 pandemic challenges.

Implementation of corrective actions

The AGSA's review confirms that a number of the audit commitments made in the prior year were implemented through the implementation of appropriate corrective actions. The MQA needs to ensure that it can take sufficient and effective steps to introduce all the improvements and corrective actions as identified.

Risk Management

The Board has assigned oversight of the MQA's risk management function to the Committee. As such, the Risk Management Committee (RMC) was established to provide detailed oversight over the risk management activities of the MQA. The Chairperson of the RMC is a member of the Committee. Consequently, he attends all meetings of the Committee to ensure that information relevant to these Committees is shared regularly. The Committee fulfils an oversight role regarding the risks of financial reporting, internal financial controls, fraud risk and information technology as they relate to the Annual Financial Statement and performance information.

The Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk and information technology risks as they relate to financial reporting. The Committee is satisfied that appropriate and effective risk management processes are in place.

Going concern

The national lockdown continued during the financial year under review as a result of the covid-19 pandemic. Due to the lockdown, the MQA could not achieve all its planned targets and that resulted in underspending on discretionary grants.

The Committee has considered the going concern status of the MQA and made recommendations to the Board in this regard. The Committee is satisfied with measures that Management has put in place to mitigate against the risks from the covid-19. It should be noted that the Committee supports the Board's statement on the going concern status of the MQA.

Evaluation of Financial Statements

The Committee has amongst others:

- reviewed and discussed the audited Annual Financial Statements and performance report to be included in the annual report with the AGSA, with the Chief Executive Officer and with the Board as the Institute's Accounting Authority

- reviewed the AGSA's audit report and management report on the findings of the audit and management's response, and has reviewed all changes in accounting policies and practices
- has noted and reviewed the AGSA's assessment of the usefulness and reliability of performance information examined.

The Committee concurs with and supports the AGSA's opinion on the Annual Financial Statements and other legal and regulatory matters, and is of the view that the audited Annual Financial Statements fairly presents the financial affairs of the MQA.

Auditor-General South Africa

The Committee concurs and accepts the conclusions and the unqualified audit opinion on the Annual Financial Statements for the year ended 31 March 2021.



Advocate Johannes Weapond

Standing Chairperson of the Audit & Risk Committee

Date: 31 July 2021



SECTION 9: REPORT OF THE AUDITOR-GENERAL



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

Report on the audit of the Annual Financial Statements

Opinion

1. I have audited the financial statements of the Mining Qualifications Authority, set out on pages 82 to 148, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mining Qualifications Authority as at 31 March 2021, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 30 to the Annual Financial Statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the public entity, and for the year ended, 31 March 2021.

Responsibilities of the Accounting Authority for the financial statements

8. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA, and for such internal control as the Accounting Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the Annual Performance Report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2021:

Programme	Pages in the Annual Performance Report
Programme 3 – Learning Programmes	26-29

15. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – Learning Programmes.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the Annual Performance Report on pages 23 to 29 for information on the achievement of planned targets for the year and management's explanations provided for the under-/overachievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3 – learning programmes. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. The material finding on compliance with specific matters in key legislation is as follows:

Annual Financial Statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.
23. Material misstatements of the statement of comparison of budget and actual, related party balances, mandatory grants expenditure note as well as non-compliance with GRAP 108, statutory receivables, identified by the auditors in the submitted financial statements were corrected subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Other information

24. The Accounting Authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.
29. Management's review controls were not always effective, as they did not identify misstatements that existed in the Annual Financial Statements submitted for audit. This resulted in material misstatements being identified through the audit process.

Auditor - General.

Pretoria

31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accounting Authority
 - conclude on the appropriateness of the Accounting Authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Mining Qualifications Authority to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the Accounting Authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.





SECTION 10: ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



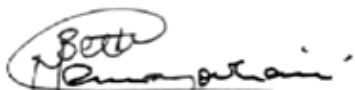
Index

The reports and statements set out below comprise the Annual Financial Statements presented to MQA Board.

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Accounting Authority's Responsibilities and Approval

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

A handwritten signature in black ink, appearing to read 'Bethuel Nemagovhani', with a circular flourish above the first part of the name.

Mr Bethuel Nemagovhani
Acting Chief Executive Officer

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

The Annual Financial Statements set out on pages 82 to 148, which have been prepared on the going concern basis were approved by the Accounting Authority on 31 July 2021 and were signed on its behalf by:

Accounting Authority's Report

1. Responsibilities of the Accounting Authority

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

To meet these responsibilities, the Accounting Authority has set standards, which require that management implement effective and efficient systems of financial risk management and internal controls, as well as transparent financial reporting and accounting systems.

Further responsibilities of the Accounting Authority include:

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

2. General Review of the State of Affairs

Total revenue for the period ended 31 March 2021 including donor income, amounted to R947 718 000 (2020: 1 246 956 000 re-stated). The administration levy income received was R115 928 000 (2020: R155 201 000, re-stated). The administrative expenditure amounted to R131 757 000 (2020: R129 141 000).

The MQA recorded a surplus of R82 821 000 (2020: R332 161 000 re-stated). Total reserves at the end of the reporting period amounted to R821 013 000 (2020: R738 192 000 re-stated). Future commitments in respect of discretionary funds amounted to R724 804 000 (2020: R448 496 000 re-stated) and thus exceed/ (below) reserves by -R96 209 000 (2020: -R230 935 000, re-stated).

During the period R 724 512 000 (2020: R777 958 000, re-stated) was spent on mandatory and discretionary grants and special projects, including donor funding expenditure of Rnil (2020: R1 362 000, re-stated). The following are some of the major spend in respect of discretionary grants and projects during the period.

Accounting Authority's Report

Projects	2021 R'000	2020 R'000
A001 – HEI Lecturer Support	6,147	11,796
A002 – Bursaries	97,297	114,977
A003 – Work Experience	42,261	46,178
A004 – Standard Setting	173	306
A005 – Learning Materials Development	1,628	-
A006 – Internships (GDP)	113,861	89,903
A007 – Non-artisan Learnerships	47,599	47,800
A009 – AET	10,470	12,341
A010 – OHS Representative Development	9,096	8,275
A013 – MQA Artisan Development	114,748	151,227
A014 – RPL / Artisan Aides - Employed	2,565	2,400
A015 – TVET College Support	21,931	24,686
A017 – FLC Grant Incentive	580	-
A019 – Mine Community Development	21,225	9,694
A021 – Youth Development	25,379	3,543
A022 – Management Development	5,186	4,044
A044 – Partnership Research	596	1,545
A023 – Artisan RPL	2,640	-
A042 – HDSA Accredited Training Provider Support	760	-
TOTAL EXPENDITURE	524,142	528,715

3. Discontinued Projects

During the period under review, there were no discontinued projects.

4. New/Proposed Projects

During the period under review, the MQA undertook worker initiated covid-19 training and small business support and both were new projects.

Accounting Authority's Report

5. Events After the Reporting Period

There were no events after reporting period identified affecting the period under review.

6. Board Member Attendance and Remuneration

Non-Executive Members	Organisation	Constituency	BOARD	EXCO	ARC	FINCOM	IT STEER	HRREMC	SRP	LP	QA	TOTALS	FEES PAID 2021	FEES PAID 2020
													R'000	R'000
													741	1 137
D. Msiza #	Department of Mineral Resources and Energy	State	6	3	-	-	-	-	-	-	-	9	-	-
P. Gamede	Department of Mineral Resources and Energy	State	4	1	1	2	-	-	-	-	-	8	-	-
H. Mbiko	Department of Mineral Resources and Energy	State	5	-	-	-	-	6	-	-	-	11	-	-
A. Teteme	National Union of Mineworkers	Labour	6	3	6	1	3	7	2	3	3	34	232	360
D. Shikati	National Union of Mineworkers	Labour	6	-	-	-	-	-	-	3	-	9	83	129
O. Nkagisang	South 32	Employers	4	-	-	-	-	-	-	-	-	4	-	-
E. Howes	Implats	Employers	6	-	-	-	1	-	8	-	-	15	-	-
M. Ally*	Minerals Council South Africa	Employers	6	3	5	-	-	7	-	-	-	21	155	179
J. Venter	Colliery Training College	Employers	1	-	-	-	-	-	-	-	-	1	-	-
D. Julyan*	Minerals Council South Africa	Employers	2	-	-	-	2	-	7	4	1	16	35	249
A. Atlee	National Union of Mineworkers	Labour	5	-	-	-	-	-	-	-	-	5	75	47
M. Mashego	Harmony	Employers	4	-	-	-	-	-	-	-	-	4	-	-
M. Naki	National Union of Mineworkers	Labour	5	-	-	-	-	-	-	-	-	5	76	84
T. Mathavha	National Union of Mineworkers	Labour	-	-	-	-	-	-	-	-	-	0	-	28
F. Stehring	United Association of South Africa	Labour	6	-	-	-	-	-	-	-	-	6	85	61

Notes

The total fees disclosed above relate to fees claimed for attendance of the meetings specified above

Chairperson

* Fees in respect of the members are paid directly to the Minerals Council South Africa

8. Going Concern

The Annual Financial Statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The assets of the MQA exceed its liabilities by R821 013 000 (2020: R738 192 000 re-stated). Furthermore, the net assets exceed the commitments by R96 209 000 (2020: R289 696 000, re-stated). The Board is satisfied that the MQA has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The four months levy payment holiday announced by His Excellency, President Cyril Ramaphosa had an impact on the expected cash flows, however, the Board has satisfied itself that the MQA is still in good financial position and that it has access to sufficient reserves and grants revenue to meet its foreseeable cash requirements.

9. SETA Re-establishment

SETAs are established through the provisions of the Skills Development Act and the MQA has been re-licensed as a SETA until 31 March 2030.

10. Responsibility for Annual Financial Statements

The Board is responsible for the Annual Financial Statements.

Statement of Financial Performance

	Note(s)	2021 R'000	2020 R'000 Re-stated
Revenue		947 718	1 246 956
Revenue from non-exchange transactions		898 667	1 190 754
Skills development levy income	3	879 649	1165 993
Skills development levy interest and penalties	3	19 017	23 180
Discretionary grants recoveries	6	-	218
Government grants and donor funding income	14.2	-	1 362
Revenue from exchange transactions		49 051	56 202
Investment income	4	48 576	55 905
Other income	5	475	297
Expenditure		(864 817)	(914 752)
Administration expenditure	8	(131 757)	(129 141)
Employer grants and projects expenditure	7	(724 512)	(776 596)
Government grants and donor funding	14.2	-	(1 362)
NSF artisan project administration costs	14.2.1	(541)	(938)
Transfers to other public entities (QCTO)	9	(8 007)	(6 714)
Loss on disposal of assets and liabilities		(80)	(43)
Surplus/(deficit)		82 821	332 161

Statement of Financial Position

	Note(s)	2021 R'000	2020 R'000 Re-stated
Assets		1 106 441	1 154 437
Non-current assets		53 587	58 243
Property, plant and equipment	10	53 356	57 422
Intangible assets	11	232	821
Current assets		1 052 853	1 096 195
Receivables from non-exchange transactions	14	1 752	55 275
Trade and other receivables from exchange transactions	12	5 630	3 594
Inventories	13	328	312
Cash and cash equivalents	15	1 045 144	1 037 014
Liabilities		285 427	416 245
Current liabilities		285 427	416 245
Grants and transfers payable	17	262 099	392 981
Trade and other payables from exchange transactions	18	2 651	3 602
Provisions	19	20 677	19 662
Net Assets		821 013	738 192
Reserves		821 013	738 192
Revaluation reserves		4 925	4 925
Administration reserves		48 662	53 318
Mandatory grant reserves		2 111	519
Discretionary reserves		765 315	679 431
		-	-

Statement of Changes in Net Assets

	Revaluation reserves	Administration reserves	Mandatory grant reserves	Discretionary reserves	Total reserves	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 01 April 2019 - as previously stated	4 925	58 802	553	355 555	419 835	-	419 835
Prior period errors - discretionary grants expenditure	-	-	-	(13 804)	(13 804)	-	(13 804)
Balance at 01 April 2019 - Re-stated	4 925	58,802	553	341 751	406 031	-	406 031
Surplus /(Deficit) for 2020 as previously stated	-	-	-	-	-	356 812	356 812
Allocation of un-appropriated deficit for 2020 as previously stated	-	18 239	34 930	303 643	356 812	(356 812)	-
Prior period errors - discretionary grants expenditure erroneously omitted	-	-	-	(24 651)	(24 651)	-	(24 651)
Transfer to discretionary reserves	-	(23 723)	(34 964)	58 687	-	-	0
Re-stated* Balance at 01 April 2020	4 925	53 318	519	679 430	738 192	-	738 192
Surplus/ (deficit) for the year	-	-	-	-	-	82,821	82 821
Allocation of un-appropriated surplus	-	(24 456)	19 604	87 673	82 821	(82,821)	-
Transfer to Administration reserves	-	19 800	(18 012)	(1 788)	-	-	-
Balance at 31 March 2021	4 925	48 662	2,111	765 315	821 013	0	821 013

Cash Flow Statement

Receipts

Levies, interest and penalties
Government grants and donor funding
Interest income
Other cash receipts from stakeholders

Payments

Grant and projects
Compensation of employees
Payments to suppliers and others

Net cash flows from operating activities

Cash flows from investing activities

Purchase of property, plant and equipment
Proceed from sale of Property, plant and equipment
Purchase of other intangible assets

Net cash flows from investing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

Note(s)	2021 R'000	2020 R'000
	978 549	1 253 870
	898 926	1 188 798
	29 714	8 627
	49 470	56 103
	438	342
	(969,006)	(939 219)
	(833 591)	(803 850)
	(96 262)	(94 381)
	(39 153)	(40 988)
20	9 543	314 651
	(1,413)	(914)
10	(1 430)	(971)
	17	57
11	-	-
	(1 413)	(914)
	8 130	313 737
	1 037 014	723 277
15	1 045 144	1 037 014

Statement of Comparison of Budget and Actual Amounts

Budget and actual amounts on accrual and comparative basis

	Note (s)	Approved budget	Actual	Variance
		R'000	R'000	R'000
Statement of Financial Performance				
Revenue from exchange transactions		51 714	49 051	(2 663)
Other income		-	475	475
Interest received - investment		51 714	48 576	(3 138)
Revenue from non-exchange transactions		910 103	898,667	(11 436)
Skills Development Levy: Income	29.1	910 103	879 649	-30 454
Levy: Interest and penalties	29.2	-	19 017	19 017
Total revenue		961 817	947 718	(14 099)
Total expenditure		1 097 473	864 817	(232 656)
Personnel costs	29.3	93 502	88 204	(5 298)
Transfer to QCTO		7 184	8 007	823
Depreciation and amortisation	29.6	7 807	5 881	(1 926)
Repairs and maintenance		2 304	1 656	(648)
Employer grant and project expenditure	29.4	940 487	724 512	(215 975)
Government grants and donor funds		-	541	541
General Expenses	29.5	46 189	36 016	(10 173)
Operating surplus/(deficit)		(135 656)	82 901	218 557
Loss on disposal of assets and liabilities		-	80	80
Surplus/(deficit) for the year		(135 656)	82 821	218 477
Statement of Financial Position				
Capital Expenditure	29.6	20 195	1 430	(18 765)

Accounting Policies

1. Basis of Preparation

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

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

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

1.1 Currency

The Annual Financial Statements presented are in South African Rands and all figures have been rounded off to the nearest thousands (R'000) were indicated.

	2021
Administration cost (including 0.5% transfer to QCTO)	10.50%
Mandatory grants	20.00%
Discretionary grants and projects	49.50%
	80.00%

In addition to these amounts, employers that fail to file their returns and pay skills development levies within the prescribed time limits as set by SARS, are charged interest and penalties at rates prescribed by SARS from time to time. The said regulation regulating the 20% mandatory grant was set aside, however the court did not indicate what mandatory grant percentage should be paid. The MQA continued measuring mandatory grants at 20% since it's the best available information.

1.2 Revenue from Non-exchange Transactions

Skills Development Levy (SDL) income

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

Eighty percent (80%) of SDL contributions by companies in the mining and minerals sector are transferred to the MQA and 20% to the National Skills Fund (NSF) by the Department of Higher Education and Training. SDL income received by the MQA is set aside in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended and the Skills Development Levy Grant Regulations (Grant Regulations), issued in terms of this Act, for the purposes of:

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

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

Accounting Policies

Inter-SETA Transfers

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

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

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

Recognition of Revenue from Non-exchange Transactions

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

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

Previously, this provision was accumulated indefinitely, but with effect from the 25 August 2013, the DHET advised SETAs that this provision may be utilised for discretionary grants purposes after the expiry of 5 years in terms of section 109(4) of the Tax Administration Act, as the employers may not claim the moneys back after 5 years.

Measurement of Revenue from Non-exchange Transactions

SDL income is measured at the fair value of the consideration received or receivable and that is the amount of the increase in net assets recognised by the MQA.

Adjustments to revenue already recognised, arise from the completion of internal review process, and/or the outcome of an external appeal or objection process undertaken by employers. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly returns and are reflected as a net reversal per scheme year on the revenue details provided by the DHET.

The SETA recognises revenue monthly on net basis per scheme as after taking into account monthly net reversals per scheme year. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process are therefore accounted for as a change in an accounting estimate.

Government Grants and Donor Funding Income

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

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

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

Accounting Policies

1.3 Revenue from Exchange Transactions

Investment income

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

Other income

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

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

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

1.4 Grants and Project Expenditure

In terms of the Grant Regulations, registered employers may recover 20% of their levy payments (excluding interest and penalties) in the form of mandatory grants, provided they timeously submit such plans and reports as prescribed in terms of Grants Regulations.

In addition, registered employers that participate in skills development initiatives prescribed in the National Skills Development Strategy III (2011-2016) extended to March 2020 and the MQA's Sector Skills Plan can apply for and be granted discretionary grants to supplement their training cost.

Mandatory Grants

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

The grant is equivalent to 20% (2020: 20%) of the total levies paid by the employer during the corresponding financial period for the skills planning and annual training report grants.

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

Retrospective Amendments by SARS

The MQA calculates and pays mandatory grants to employers based on the levy information from the DHET as obtained from SARS. Where SARS retrospectively amends the information on levies collected, this may result in grants that have been paid to certain employers that are in excess of the amount the MQA is permitted to have granted to employers as mandatory grants.

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

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

Discretionary Grants and Project Expenditure

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

Accounting Policies

The allocation of discretionary grants and projects is dependent on employers submitting the prescribed application, in the prescribed format and within the prescribed cut-off period as well as the availability of funds.

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

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

Project expenditure comprises:

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

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics. No provision is made for projects approved at year-end, unless the related services in terms of the contract have been delivered or the contract is of an onerous nature.

Where a project has been approved, but the duration of the contract extends beyond the reporting period, a commitment arises and is disclosed in the notes to the Annual 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 service provider, make advance payments.

1.6 Irregular, Fruitless and Wasteful Expenditure

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

- The PFMA;
- The Skills Development Act; and
- 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 Annual Financial Statements of the reporting period in which it is identified.

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

Irregular expenditure is de-recognised from the balance of the irregular expenditure note when it is either:

- condoned by the relevant authority if no official was found to be liable in law;
- recovered from an official liable in law;
- written off if it's irrecoverable from an official liable in law; or
- written off if it is not condoned and not recoverable.

Accounting Policies

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

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

1.7 Property, Plant and Equipment

Recognition

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

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

Initial Measurement

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

Subsequent Measurement

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

Depreciation

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

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

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

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

Impairment

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

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

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

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

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

Accounting Policies

Cost Basis

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

Item	Average useful life
Office furniture	10 - 15 years
Motor vehicles	4 - 5 years
Office equipment	3 - 10 years
Computer equipment	2 - 5 years
Fixtures and fittings	10 - 15 years
Office building	30 - 50 years
Cell phones	2 - 3 years

Revaluation Basis

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

The fair value of items of land and buildings is determined from market-based evidence of an appraisal undertaken by a member of the valuation profession who holds a recognised and relevant professional qualification. Land and buildings will be revalued at least every 5 years. The fair value of other items of plant and equipment is ascertained by reference to quoted prices in an active and liquid market.

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

If an item of property, plant and equipment is re-valued, the entire class of property, plant and equipment to which that item belongs, is re-valued.

If an asset is re-valued upwards, the increase is credited directly to revaluation surplus unless the upward revaluation reverses a previous downward revaluation, in which case it is recognised in the surplus or deficit for the period. If assets are re-valued downwards, the decrease

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

De-recognition

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

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.

Accounting Policies

Key Sources of Estimation Uncertainty

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

The MQA is currently established as a SETA until 31 March 2030. In the light of the extension of MQA's establishment until 31 March 2030, management is required to consider how it affects the period over which assets are expected to be available for use by the MQA.

As a result of the fact that the MQA was originally established in terms of the Mine Health and Safety Act, Act no 29 of 1996 (as amended) and was later incorporated into the SETAs, management determined, consistently with prior years, that the useful lives of assets should not be limited by the MQA's establishment as a SETA.

Management's determination of useful lives also affects the determination of residual values of assets. The MQA reviews the estimated useful lives and residual values of property, plant and equipment used for the purpose of depreciation calculations in light of the definition of residual value. Estimated useful lives and residual values will continue to be reviewed annually in future.

1.8 Intangible Assets

Recognition

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

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

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

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

Subsequent Measurement

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

Initial Measurement

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

Amortisation

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

Impairment

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

Accounting Policies

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

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

Cost Basis

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

Item	Average useful life
Computer software	2-3 years

Revaluation Basis

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

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

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

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

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

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

De-recognition

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

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

1.9 Inventories

Recognition

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

Initial Measurement

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

Accounting Policies

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 method.

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

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

1.10 Leases

Finance Leases

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

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

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

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. Finance charges arising out of finance lease agreements are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

A finance lease also gives rise to a depreciation expense for depreciable assets in each accounting period. The depreciation policy for depreciable-leased assets is consistent with that for depreciable assets that are owned. Where there is no reasonable certainty that the MQA will obtain ownership by the end of the lease term, assets held under finance leases are depreciated over the shorter of the lease term and their useful lives.

Finance Leases - Lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

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

Accounting Policies

Operating Leases

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

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

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

1.11 Borrowing and Borrowing Costs

Borrowings

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

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

Borrowing Costs

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

Recognition

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

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

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.

Accounting Policies

Other Borrowing Costs

Recognition

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

Measurement

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

1.12 Employee Benefits

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

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

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

If the amount already paid exceeds the undiscounted amount of the benefits, the MQA recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund and as an expense.

Termination Benefits

Termination benefits are employee benefits payable as a result of either the MQA's decision to terminate an employee's employment before the

normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits, and mainly comprise proceeds from a defined contribution plan. The assets of the defined contribution plan are held by a third party trustee-administered fund and are funded by payments from the MQA and its employees.

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

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

1.13 Provisions

Administration provision is for bonuses for persons in the employ of the Mining Qualifications Authority, who are employed on a permanent basis, long term, short term and fixed term contract, receive remuneration and appointed against the approved organisational structure. The performance bonus payable is up to a maximum of 20% of the annual cost to company depending on performance ratings achieved during the financial under review and is depended upon financial viability at the time of payment. The expected outflow is after the previous year's audit and before the end of the performance of the preceding year.

Recognition

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

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

Accounting Policies

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

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

Measurement

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

Effects of the Time Value of Money

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

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

Future Events and Gains

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

Reimbursements

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

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

Usage and Review

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

1.14 Commitments

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

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

1.15 Contingent Liabilities

A contingent liability is:

- a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Accounting Policies

A contingent liability is not recognised as a liability in the statement of financial position but is disclosed in the notes to the annual financial statements. Amounts disclosed in respect of contingent liabilities are measured on the basis of the best estimate of the outcome of the possible obligation that may arise, using experience of similar transactions or reports from independent experts.

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

1.16 Financial Instruments

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

Financial Assets

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

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

Investments and Loans

The following categories of investments are measured at subsequent reporting dates at amortised cost by using the effective interest rate method if they have a fixed maturity or at cost if there is no fixed maturity:

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

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value, net of transaction costs except for those financial assets classified as a fair value through profit or loss, which are initially measured at fair value.

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

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

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

Loans and Receivables

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

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

Accounting Policies

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

Effective Interest Rate Method

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

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

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

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

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

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

Cash and cash equivalents are measured at fair value.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit and loss (FVTPL) or other financial liabilities. Financial liabilities are classified as FVTPL where the financial liability is either held for trading or is designated as FVTPL.

Gains and Losses on Subsequent Measurement

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

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

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

Other Financial Liabilities

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

1.17 Reserves

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

- Administration reserve
- Employer grant reserve
- Discretionary reserve

This sub-classification is made based on the restrictions placed on the distribution of monies received in accordance with the Grant Regulations and referred to in accounting policy note 1.3.

Interest and penalties received from SARS, as well as interest received on investments, are utilised for discretionary grants and projects.

Accounting Policies

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

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

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

1.18 Related Parties

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

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

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

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

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

1.19 Comparatives

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

Notes to the Annual Financial Statements

2. Allocation of Net Surplus for the Year to Reserves

	ALLOCATION - 2021				
	Total per Statement of financial performance	Administration funds	Mandatory grant funds	Discretionary grants funds	Special projects funds
	R'000	R'000	R'000	R'000	R'000
Total revenue	947,718	115,928	219,974	611,815	-
Skills development levy: Income	898 667	115 453	219 974	563 239	-
Admin levy income (10.5%)	115,453	115 453	-	-	-
Public sector levies	0	-	-	-	-
Grant levy income (20%)	219,974	-	219 974	-	-
Grant levy income (69.5%)	544,222	-	-	544 222	-
Levy: penalties and interest	19,017	-	-	19 017	-
Donor, interest and other income	49 051	475	-	48 576	-
Donor project administration income	0	-	-	-	-
Discretionary grants recoveries	0	-	-	-	-
Donations for special projects	0	-	-	-	-
Investment income	48,576	-	-	48 576	-
Other income	475	475	-	-	-
Total expenditure	864 817	140 305	200 370	524 142	-
Administration expenditure	131,757	131 757	-	-	-
Transfers to other public entities (QCTO)	8,007	8 007	-	-	-
Mandatory grants expenditure	200,370	-	200 370	-	-
Discretionary grants and project expenditure	524,142	-	-	524 142	-
Donor funds project expenditure	0	-	-	-	-
Donor funding project administration costs	541	541	-	-	-
Loss on disposal of assets and liabilities	80	80	-	-	-
Surplus/(deficit) allocated	82,821	(24,456)	19,604	87,673	-

Notes to the Annual Financial Statements

	ALLOCATION - 2020				
	Total per Statement of financial performance	Administration funds	Mandatory grant funds	Discretionary grants funds	Special projects funds
	R'000	R'000	R'000	R'000	R'000
Total revenue	1 246 956	155 201	282 857	807 535	1 362
Skills development levy: income	1189 173	154 904	282 857	751 412	-
Admin levy income (10.5%)	152 908	152 908	-	-	-
Grant levy income (20%)	282 857	-	282 857	-	-
Grant levy income (69.5%)	728 232	-	-	728 232	-
Levy: penalties and interest	23 180	-	-	23 180	-
Public sector levies	1 996	1 996	-	-	-
Donor, interest and other income	57 782	297	-	56 123	1 362
Donor project administration income	-	-	-	-	-
Discretionary grants recoveries	218	-	-	218	-
Donations for special projects	1 362	-	-	-	1 362
Investment income	55 905	-	-	55 905	-
Other income	297	297	-	-	-
Total expenditure	914 752	136 793	247 881	528 715	1 362
Administration expenditure	129 141	129 141	-	-	-
Transfers to other public entities (QCTO)	6,714	6 714	-	-	-
Finance costs	-	-	-	-	-
Mandatory grants expenditure	247 881	-	247 881	-	-
Discretionary grants and project expenditure	528 715	-	-	528 715	-
Donor funds project expenditure	1 362	-	-	-	1 362
Donor funding project administration costs	938	938	-	-	-
Loss on disposal of assets and liabilities	43	43	-	-	-
Surplus/(deficit) allocated	332 161	18 365	34 976	278 820	-

Notes to the Annual Financial Statements

3. Revenue from Non-exchange Transactions

	2021 R'000	2020 R'000 Re-stated
Skills development levy income	879 649	1165 993
Levy income: Administration	115 453	154 904
Levies received	115 486	154 880
Levies received from SARS-Administration	115 479	152 837
Public sector levies	-	1 996
Inter-SETA transfers in-Administration	7	47
Inter-SETA transfers out-Administration	-	-
Movement in levies accrued	(33)	24
Levy income: Employer Grants	219 974	282 857
Levies received	220 465	282 765
Levies received from SARS-Mandatory	220 452	282 673
Inter-SETA transfers in-Mandatory	14	92
Inter-SETA transfers out-Mandatory	-	-
Movement in levies accrued	(491)	92
Levy income: Discretionary Grants	544 222	728 232
Levies received	545 538	727 405
Levies received from SARS-Discretionary	545 504	727 174
Inter-SETA transfers in-Discretionary	34	231
Inter-SETA transfers out-Discretionary	-	-
Movement in levies accrued	(1 316)	827
Interest and penalties: Skills development levy income	19 017	23 180
Levy interest	8 758	11 682
Levy penalties	10 259	11 499

Notes to the Annual Financial Statements

3. Revenue from non-exchange transactions (Continued)

Included in the Skills development levy income is the retrospective reversals of R23 927 952,22 as a result of refunds paid by SARS to the employer companies. The MQA has recognised revenue on a net basis.

The MQA does not have access to reliable information to make future estimates, therefore, it is impracticable to estimate the amount of the effect in the future periods.

	2021 R'000	2020 R'000 Re-stated
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4. Investment Income

Interest received	48 576	55 905
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5. Other Income

Insurance recoveries	475	298
SDL recoveries	25	4
Learning materials and other recoveries	151	160
Staff recoveries	19	76
Receipts from other entities	3	4
	277	54

6. Sundry Recoveries

	-	218
Bursary recoveries	-	58
Projects recoveries	-	160

Notes to the Annual Financial Statements

7. Employer grants and project expenditure

		2021 R'000	2020 R'000 Re-stated
Employer grants and projects expenditure		724 512	776 596
Mandatory grants expenditure and movement in provision for bad debts		200 370	247 881
Mandatory grants expenditure		1 87 741	2 47 678
Movement in provision for bad debts		1 2 629	203
Discretionary grants expenditure		462 570	494 093
Project expenditure	7.1	61 572	34 622
7.1 Project Expenditure Consist of:		61 572	34 622
Direct project costs		58 533	30 621
Administration costs		3 039	4 001

Notes to the Annual Financial Statements

8. Administration Expenditure

	Note(s)	2021 R'000	2020 R'000 Re-stated
Total Administration expenditure		131 757	129 141
Depreciation, amortisation and impairments		5 881	6 325
Maintenance, repairs and running costs		1 655	1 267
Property and buildings		1 517	1 194
Machinery and equipment		137	74
Advertising, marketing and promotions, communication		4 562	3 408
Consulting and professional fees		2 153	4 517
Legal fees		252	434
Cost of employment	8.1	88 204	88 955
Travel and accommodation		404	3 959
Staff training and development		652	1 009
Remuneration of Board and committee members		1 317	1 538
Internal audit fees		786	637
External audit fees		2 878	3 985
Printing and stationery		1 033	1 495
Conferences, meetings and seminars		1 300	2 620
Insurance		511	457
Rates & taxes, water, electricity & security		3 572	1 912
Donations & sponsorships		31	53
Rental - operating leases	8.2	120	380
IT expenses		6 651	5 567
Subscription and membership fees		90	83
Other expenses		9 706	540

Notes to the Annual Financial Statements

	Note(s)	2021 R'000	2020 R'000 Re-stated
8.1 Cost of Employment		82 792	83 490
Basic salaries		39 164	39 654
Performance awards		8 737	8 510
Other non-pensionable allowance		27 828	31 387
Temporary staff		2 241	790
Leave provision movement		4 264	2 350
SDL		558	800
Social Contributions		5 412	5 465
Pension contributions		4 789	5 100
UIF		228	245
Other salary related costs		395	120
		88 204	88 955
Average number of employees		138	153
8.2 Operating Lease Obligation			
Within one year		55	50
In 2 to 5 years		120	175
TOTAL		175	225

The MQA entered into a rental agreement for the North West regional offices from 01 July 2018 to 31 July 2023.

Notes to the Annual Financial Statements

9. Transfers to other Government Entities

	2021 R '000	2020 R '000
Transfer to QCTO	8 007	6 714

SETA Grant Regulation 2(4) provides that a SETA will transfer as part of its administration costs an amount that does not exceed 0.5% of the total levy paid by employers to the QCTO for quality assurance functions and the actual quantum will be determined by the Minister of Higher Education and Training. The Minister determined the amount disclosed above.

10. Property, Plant and Equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation/ impairment	Carrying value	Cost / Valuation	Accumulated depreciation/ impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
	80 334	(26 979)	53 356	79 783	(22 361)	57 422
Office furniture	4 740	(3 103)	1 637	4 777	(2 772)	2 005
Motor vehicles	709	(358)	351	878	(652)	226
Office equipment	6 825	(5 433)	1 392	6 437	(4 716)	1 721
Computer equipment	5 686	(4 386)	1 300	5 460	(3 745)	1 715
Fixtures and fittings	12 152	(7 740)	4 412	12 152	(6 525)	5 627
Office building	50 000	(5 863)	44 137	50 000	(3 908)	46 092
Cell phones	222	(96)	126	78	(43)	36

Notes to the Annual Financial Statements

RECONCILIATION - 2021						
	Opening carrying amount	Additions	Disposals	Depreciation	Revaluation surplus	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
	57 423	1 430	(204)	(5 292)	0	53 357
Office furniture	2 005	-	(4)	(364)	-	1 637
Motor vehicles	226	302	(145)	(32)	-	351
Office equipment	1 722	430	(2)	(757)	-	1 393
Computer equipment	1 716	507	(50)	(872)	-	1 300
Fixtures and fittings	5 627	-	-	(1 215)	-	4 412
Office building	46 092	-	-	(1 954)	-	44 137
Cell phones	36	191	(3)	(97)	-	126

RECONCILIATION - 2021						
	Opening carrying amount	Additions	Disposals	Depreciation	Revaluation surplus	Closing carrying amount
	R'000	R'000	R'000	R'000	R'000	R'000
	62 092	971	(130)	(5 511)	-	57 423
Office furniture	2 252	130	(8)	(369)	-	2 005
Motor vehicles	226	-	-	-	-	226
Office equipment	2 722	12	(1)	(1 011)	-	1 722
Computer equipment	1 870	794	(107)	(841)	-	1 716
Fixtures and fittings	6 842	-	-	(1 215)	-	5 627
Office building	48 046	-	-	(1 954)	-	46 092
Cell phones	134	35	(14)	(120)	-	36

Notes to the Annual Financial Statements

Further details on the office building

The 3 934 square metre building is situated on ERF 917, 7 Anerley Road, Parktown, Johannesburg. There are no restrictions on the title to the property, plant and equipment and no items are pledged as security for liabilities.

The office building was re-valued on 31 March 2018 by an independent valuer who holds a qualification in property valuations and is a member of South African Council for Property Valuer's Profession. The valuation was based

on the Income Capitalisation Method as well as the Comparable Sales Method in the prior year. The first method was carried out with reference to the open market rentals, market escalations and market related costs while the latter was carried out with reference to comparable market related sales and both methods were used to determine the market related valuation. The building is due for another revaluation in 2023. Further details on the building are as follows:

	2021 R'000	2020 R'000
Revalued amount	50 000	50 000
Accumulated depreciation	(5 863)	(3 908)
Revaluation adjustments	-	-
	<u>44 137</u>	<u>46 092</u>

Notes to the Annual Financial Statements

11. Intangible Assets

	2021			2020		
	Cost / Valuation	Accumulated depreciation/ impairment	Carrying value	Cost / Valuation	Accumulated depreciation/ impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
	3 345	(3 114)	232	4 265	(3 445)	821
Computer software	3 345	(3 114)	232	4 265	(3 445)	821
	3 345	(3 114)	232	4 265	(3 445)	821

RECONCILIATION 2021					
Opening carrying amount	Additions	Disposals	Other changes, movements	Depreciation	Closing carrying amount
R'000	R'000	R'000	R'000	R'000	R'000
820	-	-	-	(589)	231
Computer software	820	-	-	(589)	231

RECONCILIATION 2020					
Opening carrying amount	Additions	Disposals	Other changes, movements	Depreciation	Closing carrying amount
R'000	R'000	R'000	R'000	R'000	R'000
1 634	-	-	-	(814)	820
Computer software	1 634	-	-	(814)	820

	2021	2020
	R'000	R'000
Maintenance, repairs and running costs paid to service providers	1 655	1 267
Property and buildings	1 517	1 194
Machinery and equipment-R&M	137	74

Notes to the Annual Financial Statements

12. Receivables from Exchange Transactions

	2021 R'000	2021 R'000 Re-stated
	5,630	3,594
Staff advances	81	506
Prepayments	366	348
Deposits	4	4
Other receivables	4,478	1,196
Interest receivable	701	1,540

13. Inventories

Consumable stores	328	312
Recognised as an expense during the year	598	563

14. Receivables from Non-exchange Transactions

	1,752	55,275
Mandatory grants receivables	1,697	20,185
Administration and public sector levies receivable	0	1,849
Inter-SETA - Administration	7	42
Inter-SETA - Employer grants	14	509
Inter-SETA - Discretionary	34	1,341
Donor funding receivable	0	31,350
Discretionary funds receivables	0	0

14.1 Mandatory Grants Receivables

	1,697	20,185
Overpayments to employers	15,262	20,999
Provision for doubtful debts	(13,681)	(1,052)
Net effect of SARS retrospective adjustments	1,580	19,947
Mandatory grants receivable from other SETAs	117	238

Notes to the Annual Financial Statements

	2021 R'000	2021 R'000 Re-stated
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The MQA calculates and pays mandatory grants to employers based on the levy information from the DHET as obtained from SARS in line with Skills Development Levies Act. Where SARS retrospectively amends the information on levies collected, this may result in grants that have been paid to certain employers that are in excess of the amount the MQA is permitted to have granted to employers as mandatory grants thus resulting in mandatory grant receivable being raised. The MQA as required by the standard of GRAP assess non contractual receivables for impairment at the end of each reporting period and the above disclosed provision for

bad debts was based on impairment indicators identified by management in line with GRAP. The receivables which were provided for have been outstanding for a period of more than three years and there has not been any movement in their accounts or the movement have been insignificant. R15 261 700 (2020: R 20 999 420) was recognised as a receivable relating to actual payments of mandatory grants, which were previously paid and subsequently reversed by employers in the reporting period.

A provision for bad debts of R13 681 260 (2020: R1 052 395) has been raised respectively with the change in movement recognised in the statement of financial performance of R12 628 864,85 (2020: 202 617,40) respectively.

14.2 Government Grants and Donor Funding

Balance at the beginning of the year
Donor funds received and interest received
Donor funds received
Interest received
Donor funds write-off
Utilised

0	31 350
31 350	38 615
-29 769	-8 627
-29 714	-8 627
-55	-
-1,581	-
-	1,362

14.2.1 Donor Funds Administration Surplus(Deficit)

NSF artisan project administration income
NSF artisan project administration expenditure

-541	-938
-	-
(541)	(938)

15. Cash and Cash Equivalents

Cash at bank
Cash on paycard
Cash on paycard and at bank
Short-term investments/instruments

1 045 144	1 037 014
844 072	811 936
18	26
844 090	811 961
201 054	225 053

Notes to the Annual Financial Statements

	2021 R'000	2021 R'000 Re-stated
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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.

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

17. Grants and Transfers Payable

Skills development grants payable - Mandatory
Skills development grants payable - Discretionary
Inter-SETA payables - Administration
Inter-SETA payables - Employer grants
Inter-SETA payables - Discretionary
Donor payables

Borrowings/Loans

In terms of PFMA section 66(3)(c), public entities may borrow money or, issue a guarantee, indemnity or security only through the Minister of Higher Education, and Training or the Minister of the Department of Mineral Resources, as the case may be, acting with the concurrence of the Minister of Finance. In terms of Treasury Regulation 32.1.1, the MQA as schedule 3A public entity may borrow money for bridging purposes with the approval of the Minister of Finance, subject to certain conditions. No such borrowings were entered into during the period.

16. Employee Benefit Obligations

Defined contribution plan

The MQA operates a defined contribution umbrella pension fund. Each employee contributes 8% and the MQA 16% in respect of each employee. The employee's future benefits depend on the operating efficiency and investment earnings of the fund.

	262,099	392,981
	70,677	22,529
	191,353	370,366
	0	2
	0	4
	0	10
	70	70

Notes to the Annual Financial Statements

	2021 R'000	2021 R'000 Re-stated
18. Trade and other Payables from Exchange Transactions	2 651	3 602
Trade payables	1 012	3 351
Project creditors	0	0
Trade creditors accruals	1 491	119
Cell phone contracts obligations	140	17
Payroll creditors and accruals	8	115

19. Provisions

Reconciliation of provisions

	2021				
	Opening Balance	Utilised during	Change in estimates	Addition	Total
	R'000	R'000	R'000	R'000	R'000
	19 664	(12 124)	-	13 139	20 678
SARS Creditors - Administration	354	(66)	-	107	395
SARS Creditors - Mandatory	672	(125)	-	204	751
SARS Creditors - Discretionary	1 664	(310)	-	505	1 859
Administration provisions - Leave	5 913	(2 869)	-	4 264	7 308
Administration provisions - Bonus	11 061	(8 754)	-	8 059	10 366

Notes to the Annual Financial Statements

Reconciliation of provisions

2020				
Opening Balance	Utilised during	Change in estimates	Addition	Total
R'000	R'000	R'000	R'000	R'000
17 716	(9 367)	-	11 315	19 664
SARS Creditors - Administration	354	(60)	60	354
SARS Creditors - Mandatory	673	(115)	114	672
SARS Creditors - Discretionary	1 667	(284)	281	1 664
Administration provisions - Leave	4 574	(1 011)	2 350	5 913
Administration provisions - Bonus	10 448	(7 897)	8 510	11 061

20. Cash generated from operations

	2021 R '000	2020 R '000
Surplus(deficit)	82 821	332 161
Adjustments for:		
Depreciation and amortisation	5 881	6 325
Loss/(gain) on sale of assets and liabilities	80	43
Movements in provisions	1 015	1 947
Other non-cash items	109	31
Changes in working capital		
Inventories	(16)	119
Receivables from exchange transactions	(2 036)	196
Other receivables from non-exchange transactions	53 522	3 792
Payables from exchange transactions	(951)	(649)
Transfers payable (non-exchange)	(130 881)	(29 314)
	9 543	314 650

Notes to the Annual Financial Statements

21. Contingent Liabilities

A balance of R2 111 000 ((2020: R519 000) has been set aside in terms of the accounting policy. The amount of the outflow depends on the new employers' awareness about the provisions of the grants regulations that entitle them to claim the grants within six months of their first registration as employers for the purposes of the Skills Development Levies Act.

The employers have until 31 October 2021 to claim the mandatory grants after which they expire and will be credited to the discretionary funds in terms of the grants regulations.

21.2 Business Unity South Africa (BUSA) vs. Department of Higher Education and Training

21.2.1 In October 2019, BUSA won a court case against the DHET where the department's decision to decrease the mandatory grant levies and grants percentage was decreased from 50% to 20% in terms of section 4(4) of the SETA Grant Regulations was set aside. The court did not decide on the mandatory levy or grant percentage, nor did it specify whether the ruling should be applied retrospectively or prospectively. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory.

21.2.2 DHET continued to show the mandatory levies portion as 20% from 2019/20 financial year to date in the levy download information. The MQA continued to pay and accrue mandatory grants at 20% in line with the levy download percentage. In the absence of a revised percentage and mandatory grant expenditure in Notes 2 and 7 as well as the mandatory grant liability in notes 7 and 14 were calculated using mandatory grant percentage of 20%.

21.2.3 The MQA, therefore, discloses a contingent liability for mandatory grants payable to qualifying levy payers and this disclosure was due to the intention of the litigants, BUSA, to increase the mandatory grant percentage of 20%. The timing and amount of this contingent liability is uncertain and no reasonable estimate can be made at this point. Currently the department is in discussions with BUSA and the outcome of the discussions are unknown.

21.3 Litigations

Contractual disputes with training providers, service providers and employees resulted in six claims lodged with the courts against the MQA for an amount of R61 992 467 (2020: R50 124 173). Four of the cases were from the preceding years and uncertainty regarding the outflow is still the same as the prior years because the cases are still ongoing.

21.4 Retention of Surpluses

Section 53 (1) of the PFMA, requires public entities not to budget for a deficit and not to accumulate surpluses unless prior written approval is received from National Treasury. The surpluses as at 31 March 2021 were as follows:

	2021	2020
Account balance description	R'000	R'000
Cash and cash equivalents	1 045 144	1 037 014
Debtors	7 382	58 869
Creditors	-285 427	-416 245
Total surpluses	767 098	679 638

22. Contingent Assets

The MQA has instituted legal claims against third parties and based on the legal opinion, there is a probability of an inflow amounting to R302 173 (2019: R3 455 144) from the four cases. The amounts were based on the Court Judgements for some cases and some had to be estimated by the internal Legal and Governance unit.

Notes to the Annual Financial Statements

COMMITMENT NOTE AS AT 31 MARCH 2021	2019/20			2020/21					
PROGRAMMES	Opening Balance 2019	Total adjustments	Utilised	Opening Balances	Prior period adjustments	Re-stated Opening Balance 2019	Total adjustments	Utilised	Closing Balance 31 March 2021
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
TOTAL	361 471	598 078	(499 681)	459 868	(11 372)	448 496	785 732	(509 903)	724 804
MQA-A001 – HEI Lecturer Support	9 000	2 796	(11 796)	-	-	-	6 147	(6 147)	-
MQA-A002 – Bursaries	16 420	115 899	(110 308)	22 011	(13)	21 998	111 495	(94 268)	39 226
MQA-A003 – Work Experience	25 416	48 576	(46 056)	27 936	(216)	27 720	40 884	(40 200)	28 404
MQA-A004 – Standard Setting Grant (TRGs)	-	306	(306)	-	-	-	173	(173)	-
MQA-A004 – Standard Setting HET	-	-	-	-	-	-	-	-	-
MQA-A005 – Learning Materials Development	-	2 239	-	2 239	-	2,239	(611)	(1 628)	-
MQA-A006 – Internships (GDP)	66 715	169 495	(89 547)	146 663	(2 291)	144 372	131 338	(109 534)	166 176
MQA-A007 – Non-artisan learnerships	30 063	47 989	(42 811)	35 241	(1 960)	33 281	55 248	(46 863)	41 666
MQA-A008 – Skills Development Facilitator Support	-	-	-	-	-	-	-	-	-
MQA-A009 – AET	-	11 983	(11 983)	-	-	-	10 470	(10 470)	-
MQA-A010 – OHS Representative Development	-	8 263	(8 263)	-	-	-	7 810	(7 810)	-
MQA-A014 – RPL / Artisan Aides - Employed	-	2 400	(2 400)	-	-	-	2 565	(2 565)	-
MQA-A014 – Artisan RPL	-	-	-	-	-	-	2 640	(2 640)	-
MQA-A013 – MQA Artisan Development	168 178	121 108	(133 198)	156 089	(14 768)	141 321	133 655	(110 817)	164 159
MQA-A015 – TVET College Support	34 815	24 915	(22 883)	36 847	(1 073)	35 775	257	(21 083)	49 429
MQA-A016 – Maths and Science	-	-	-	-	-	-	-	-	-
MQA-A019 – Mine Community Development	7 684	19 144	(9 462)	17 366	(232)	17 134	172 559	(20 985)	168 708
MQA-A020 – Workplace Coach Development	-	-	-	-	-	-	-	-	-
MQA-A022 – Management Development	636	6 598	(4 029)	3 206	-	3 206	5 542	(5 186)	3 561
MQA-A011 – NSF 2 - Artisan Development	1 742	543	(1 362)	923	8 988	9 911	-	(2 220)	7 691
MQA-A017 – FLC - MQA Proj Direct Costs	-	-	-	-	-	-	580	(580)	-
MQA-A042 – HDSAATP Support	-	-	-	-	-	-	760	(760)	-
MQA-A041 – HDSA Management Development Candidacy	-	-	-	-	-	-	-	-	-
MQA-A044 – Research Partnerships	-	2 141	(1 545)	596	-	596	-	(596)	-
MQA-A021 – Youth Development Project	803	13 683	(3 735)	10 752	192	10 944	70 221	(25 379)	55 785

Notes to the Annual Financial Statements

24. Material Losses Through Criminal Conduct, Irregular, Fruitless and Wasteful Expenditure

Irregular expenditure

2021			
Opening Balance	Additions	Condoned	Closing Balance
R'000	R'000	R'000	R'000
131	58	-	189
131	58	-	189

Administration expenditure

Irregular expenditure

2021			
Opening Balance	Additions	Condoned	Re-stated Closing Balance
R'000	R'000	R'000	R'000
131	58	-	189
131	58	-	189

Administration expenditure

The irregular expenditure was as a result of non-compliance with sections 15, 16 and 17 of the PPPFA implementation guide of 2017 which stipulate how tenders should be evaluated and awarded, and practice note 8 of 2007-2008 which requires the entities to obtain at least three quotations. Furthermore, supply chain management policy was not complied with in relation to approval of a deviation from the normal SCM processes. All identified cases are under investigation.

Fruitless and wasteful expenditure

2021				
Opening Balance	Additions	Written-off	Recovered	Balance
R'000	R'000	R'000	R'000	R'000
-	103	-	-	103
-	103	-	-	103

Administration expenditure

Fruitless and wasteful expenditure was incurred in respect of training costs for external stakeholders that did not attend the training. The circumstances that led to non attendance are still being investigated.

Notes to the Annual Financial Statements

	2020				
	Opening Balance	Additions	Written-off	Recovered	Balance
	R'000	R'000	R'000	R'000	R'000
	47	12	46	13	-
Administration expenditure	47	12	46	13	-

Fruitless and wasteful expenditure was incurred in respect of COJ interests and penalties, Storage costs, SARS interests and penalties, and late debit order penalties. All cases were investigated and concluded.

Notes to the Annual Financial Statements

25. Financial instruments

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

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

The MQA's exposure to cash flow risk, interest rate risk and the effective interest rates on the financial instruments at reporting date are as follows:

	2021				
	Floating rate		Non-interest bearing		Total
	Amount	Effective interest rate	Amount	Weighted average period until maturity	
	R'000	%	R'000	Years	R'000
Assets					
Cash	1 045 144	5%	-		1 045 144
Accounts receivable from exchange transactions	-		5 630	0,5 years	5 630
Less: Prepayments	-		(366)		(366)
Accounts receivable from non exchange transactions	-		1 752		1 752
Less: Inter-SETA receivable's	-		(55)		(55)
Less: Mandatory grants receivables	-		(1 697)		(1 697)
TOTAL FINANCIAL ASSETS	1 045 144		5 264		1 050 408
Liabilities					
Accounts payable from exchange transactions	-		(2 651)	0,5 years	(2 651)
Accounts payable from non-exchange transactions	-		(262 099)		(262 099)
Add: Inter-SETA payables	-		-		-
Add: Mandatory grants payables	-		70 677		70 677
TOTAL FINANCIAL LIABILITIES	-		(194 074)		(194 074)
	1 045 144		(188 809)		856 334

Notes to the Annual Financial Statements

	2020				
	Floating rate		Non-interest bearing		Total
	Amount	Effective interest rate	Amount	Weighted average period until maturity	
	R'000	%	R'000	Years	R'000
Assets					
Cash	1 037 014	5%	-		1 037 014
Accounts receivable from exchange transactions	-		3 594	0,5 years	3 594
Less: Prepayments	-		(348)		(348)
Accounts receivable from non exchange transactions	-		55 275	0,5 years	55 275
Less: Inter-SETA receivable's			(1 891)		(1 891)
Less: Mandatory grants receivables	-		(20 185)		(20 185)
TOTAL FINANCIAL ASSETS	1 037 014		36 444		1 073 459
Liabilities					
Accounts payable from exchange transactions	-		(3 602)	0,5 years	(3 602)
Accounts payable from non-exchange transactions			(392 981)	0,5 years	(392 981)
Add: Inter-SETA payables	-		15		15
Add: Mandatory grants payables			22 529		22 529
TOTAL FINANCIAL LIABILITIES	-		(374 03)		(374 039)
	1 037 014		(337 594)		699 420

Notes to the Annual Financial Statements

Credit Risk

Financial assets, which potentially subject the MQA to the risk of non-performance by counter-parties and thereby subject to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

The MQA limits its counter-party exposure by only dealing with well-established financial institutions approved by the National Treasury. The Accounting Authority continuously monitors the MQA's exposure. Credit risk with respect to levy paying employers is limited due to the nature of the income received. The MQA's concentration of credit risk is limited to the industry (mining industry) in which it operates.

No events occurred in the mining and minerals 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

	2021	2020
	Fair valued/ Amortised cost	Fair valued/ Amortised cost
	R'000	R'000
Receivables from exchange transactions	5 630	3594
Less: Prepayments	(366)	(348)
Receivables from non-exchange transactions	1 752	55 275
Less: Inter - seta receivables	(55)	(1 891)
Less: Mandatory grants receivables	(1 697)	(20 185)
Due 0-120 days	5 264	36 444

Cash and Cash Equivalents

	2021	2020
	Fair valued/ Amortised cost	Fair valued/Am- ortised cost
	R'000	R'000
Not past due	1 045 144	1 037 014

Liquidity Risk

Notes to the Annual Financial Statements

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

	2021			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	R'000	R'000	R'000	R'000
Trade and other payables from exchange transactions	(2 651)	-	-	-
Trade and other payables from non exchange transactions	(262 099)	-	-	-
Less: Inter-SETA receivable's	-	-	-	-
Add: Mandatory grants payables	70 677	-	-	-
Due 0-120 days	(194 074)	-	-	-
	2020			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	R'000	R'000	R'000	R'000
Trade and other payables from exchange transactions	(3 602)	-	-	-
Trade and other payables from non exchange transactions	(392 981)	-	-	-
Add: Inter-SETA payables	(15)	-	-	-
Add: Mandatory grants payables	22 529	-	-	-
Due 0-120 days	(374 039)	-	-	-

Notes to the Annual Financial Statements

Market Risk

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

Fair Values

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

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

Cash and Cash Equivalents

Cash and cash equivalents comprise cash held by the MQA and short-term bank deposits with an original maturity of less than 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 debts, approximates fair value due to the relatively short-term maturity of these financial assets.

Investments

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

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.

Notes to the Annual Financial Statements

26. Related Party Transactions

The MQA is a Schedule 3A public entity under the control of Department of Higher Education and Training as well as the Department of Mineral Resources and Energy, it is therefore, related to controlled entities under both departments. The related parties include amongst others, Public Universities and Technical Vocational Education Training colleges. The transactions we had with the Universities and TVET colleges were for the fees paid on behalf of the MQA bursary students and outstanding balances and commitments at the end of the financial year were for the fees of the said bursary students.

26.1 Inter-SETA Transactions

Inter-SETA transactions and balances arise due to the movement of employers from one SETA to another and levies due from the SETA to which the employers erroneously contributed its levies and or submitted its WSP-ATR. No other transactions occurred during the period with other SETAs.

Sector Education and Training Authorities

	2021		2020	
	Amount receivable (payable)	Transfers in / (out)	Amount receivable (payable)	Transfers in / (out)
	R'000	R'000	R'000	R'000
	55	207	1 858	183
MERSETA	0	110	(7)	1
SERVICES SETA	55	55	0	0
AGRISETA	0	0	(2)	0
W&R SETA	0	0	14	32
CHIETA	0	0	149	0
SETA99	0	0	188	26
CETA	0	0	1 505	115
HWSETA	0	0	3	0
FASSET	0	42	9	9

Notes to the Annual Financial Statements

26.2 Other Public Entities

	2021					
	Receipts	Payments	Write-Off	Debtor	Payable	Commitments
	R'000	R'000	R'000	R'000	R'000	R'000
	33 038	19 193	1 819	116	1 577	8 395
Unemployment Insurance Fund	-	-	310	-	70	-
National Skills Fund	29 713	-	1271	-	-	-
Mine Health and Safety Council	128	-	0	-	-	-
ETDP SETA	35	-	238	116	-	-
Mintek	1 382	10 261	-	-	1 216	8 092
Petroleum Agency SA	415	379	-	-	95	197
Council for Geoscience	1 365	546	-	-	197	106
Quality Council Trades and Occupations	-	8 007	-	-	-	-

	2020					
	Receipts	Payments	Write-Off	Debtor	Payables	Commitments
	R'000	R'000	R'000	R'000	R'000	R'000
	13 211	15 310	-	31 716	4 006	13 414
Unemployment Insurance Fund	-	20	-	310	70	-
National Skills Fund	8 627	-	-	31 040	-	-
Mine Health and Safety Council	-	-	-	128	-	-
ETDP SETA	115	800	-	238	-	-
Mintek	2 197	7 444	-	-	3 368	13 329
Petroleum Agency SA	583	110	-	-	96	85
Council for Geoscience	1 689	222	-	-	472	-
Quality Council Trades and Occupations	-	6 714	-	-	-	-

Notes to the Annual Financial Statements

Universities and TVET Colleges

	2021		2020	
	Amount Payable	Amount committed	Amount Payable	Amount committed
Cape Peninsula University of Technology	7 876 323	1 870 076	2 761 153	1 295 785
Capricorn TVET College	10 618	102 591	25 530	64 794
Central University of Technology Free State	1 752 992	1 553 040	1 890 590	601 358
Durban University of Technology	603 926	220 390	581 195	89 920
Ekurhuleni East TVET College	-	6 647 125	412 306	658 739
Flavius Mareka TVET College	5 630	43 160	9 120	43 160
Goldfields TVET College	1 425 159	1 455 698	470 921	674 794
Mangosuthu University of Technology	91 240	954 560	1 621 805	297 880
Mopani South East TVET College	216 600	323 970	86 175	156 586
Nelson Mandela Metropolitan University	2 060 776	704 570	1 467 301	124 260
Nkangala TVET College	-	-	309 818	437 360
North West University	2 345 473	971 187	63 786	207 100
Northern Cape Urban TVET College	-	21 598	12 715	10 799
Orbit TVET College	124 451	188 983	66 000	199 782
Sekhukhune TVET College	4 857	1 078 136	204 356	410 362
South West Gauteng TVET College	-	577 191	10 556	48 596
University of Johannesburg	-130 000	1 167 528	4 822 967	6 861 359
Tshwane University of Technology	134 010	47 780	7 898 505	742 813
University of Venda	-	604 520	2 915 602	1 580 914
University of Pretoria	381 881	5 156 830	3 059 154	723 609
University of Fort Hare	91 813	26 580	214 501	62 660
University of Stellenbosch	823 229	212 970	614 245	21 617
University of KwaZulu Natal	1 190 260	431 170	651 796	175 300
University of the Free State	-	1 122 830	1 246 035	268 010
University of the Witwatersrand	9 525 996	5 314 338	10 111 600	1 578 980
University of Limpopo	1 056 643	626 110	726 529	43 179
Vhembe TVET College	-	140 342	7 657	86 356

Notes to the Annual Financial Statement

Universities and TVET Colleges (continues)

	2021		2020	
	Amount Payable	Amount committed	Amount Payable	Amount committed
Walter Sisulu University	49 230	91 360	331 424	218 400
University of the Western Cape	106 850	316 515	-	350 185
University of Cape Town	2 989 059	224 906	-	252 700
Maluti TVET College	-	928 199	-	156 523
Motheo TVET College	17 177	897 383	-	32 370
Buffalo City TVET College	-	-	-	10 799
Rhodes University	-	47 780	-	26 290
Northern Cape Rural TVET College	6 168 471	501 598	6 195 887	64 794
Vaal University of Technology VUT	5 560	7 413 880	-	2 113 630
Western TVET College	-	501 598	-	21 598
University of South Africa	-	4 324 090	-	601 295
Gert Sibanda College	-	-	-	566 948
Vuselela TVET College	68 988	99 690	-	21 598
Central Johannesburg College	-	21 598	-	-
Ekurhuleni West TVET College	-	37 797	-	-
Lephalale TVET College	-	16 199	-	-
Majuba TVET College	-	5 395 790	-	-
Nkangala TVET College	-	1 360 674	-	-
Sedibeng TVET College	-	10 790	-	-
Taletso TVET College	-	32 397	-	-
King Sabata Dalindyebo TVET College	212 399	355 248	-	107,990
West Coast TVET College	-	480 000	-	-
Lovedale TVET College	-	960 000	-	-
Ingwe TVET College	-	480 000	-	-
Northlink TVET College	-	480 000	-	-
College of Cape Town	-	480 000	-	-
	39 209 610	56 560 762	48 789 229	22,011,188

Notes to the Annual Financial Statements

26.3 Transactions with Board Members and Entities where they are Employed or Hold Directorships

2021								
Constituency	Related party	Related party representative	Received	Fees paid	Grants paid	Debtors	Payable	Commitments
			R '000	R'000	R '000	R '000	R'000	R '000
			182 028	741	107 720	0	37 680	81 092
Employers	Harmony Gold Mine	M Mashego	56 461	-	26 546	-	21 729	27 618
Employers	Colliery Training College	J Venter	356	-	3 840	-	130	8 033
Employers	Minerals Council South Africa	M Ally & D Julyan	720	190	821	-	283	356
Employers	Anglo Platinum	L Mogaki	58 247	-	31 687	-	9 171	14 101
Employers	Impala Platinum	E Howes	66 244	-	44 826	-	6 368	30 985
Labour	NUM	A Teteme	-	232	-	-	-	-
Labour	NUM	D Shikati	-	83	-	-	-	-
State	DMRE**	D Msiza	-	-	-	-	-	-
Labour	NUM	M Naki	-	76	-	-	-	-
Labour	NUM	T Mathavha	-	-	-	-	-	-
Labour	NUM	A Atlee	-	75	-	-	-	-
Labour	UASA*	F Stehring	-	85	-	-	-	-
2020								

Notes to the Annual Financial Statements

Constituency	Related party	Related party representative	Received	Fees paid	Grants paid	Debtors	Payable	Commitments
			R '000	R'000	R '000	R '000	R '000	R '000
			187 519	917	72 122	1 585	4 354	37 149
Employers	Harmony Gold Mine	M Mashego	64 995	-	31 540	-	-	17 506
Employers	Colliery Training College	J Venter	565	-	1 639	-	-	1 393
Employers	Minerals Council South Africa*	M Ally & D Julian	803	208	356	-	-	987
Employers	Anglo Platinum	L Mogaki	58 323	-	17 749	-	4 354	9 992
Labour	UASA**	F Van Straten	-	-	-	-	-	-
Employers	Petra Diamonds	S Rogers	-	-	-	-	-	-
Employers	Impala Platinum	E Howes	62 833	-	20 838	-	-	7 271
Labour	NUM***	A Teteme	-	360	-	-	-	-
Labour	NUM	D Shikati	-	129	-	-	-	-
Labour	NUM	A Tshangase	-	-	-	-	-	-
State	DMRE****	D Msiza	-	-	-	1 585	-	-
Labour	NUM	M Naki	-	84	-	-	-	-
Labour	NUM	T Mathavha	-	28	-	-	-	-
Labour	UASA	W Van Rooyen	-	-	-	-	-	-
Labour	NUM	A Atlee	-	47	-	-	-	-
Labour	UASA	F Stehring	-	61	-	-	-	-

* Fees in respect of the members are paid directly to the Minerals Council South Africa

UASA** - United Association of South Africa

NUM***- National Union of Mineworkers

DMRE**** - Department of Mineral Resources and Energy

Notes to the Annual Financial Statements

26.4 Other Direct Financial Interest by Board Members and Staff

Staff or Board Member	Entity	2021			
		Amount received	Amounts paid	Amount receivable	Amount payable
		R '000	R '000	R '000	R '000
A Tshangase	Tshepo Recruitment Mining	1	-	-	-
		1			

Staff or Board Member	Entity	2020			
		Amount received	Amounts paid	Amount receivable	Amount payable
		R '000	R '000	R '000	R '000
A Tshangase	Tshepo Recruitment Mining	5	-	-	0
		5			0

26.5 Bursary Awarded to Related Party Beneficiaries

In the past the Board resolved that, in respect of bursaries, the MQA may enter into Memorandum of Agreements (MOAs) with entities listed below. According to GRAP 20, related party relationships exist between the MQA and the

entities by virtue of the Board members' significant influence on MQA policies. The bursary beneficiaries allocated as a result of the MOAs are selected by the entities using selection and funding criteria that may not be similar to the criteria used to select and fund other MQA bursary beneficiaries.

2020-2021			
Stakeholder Details	Constituency	Total Amount Paid R'000	Total Commitment R'000
DMRE	State	R3 853	R1 831
JB Marks	Organised Labour	R3 109	R953
Anglo Gold Ashanti	Organised Employers	R433	R213
Impala Platinum	Organised Employers	R44	R72
Harmony Gold Mine	Organised Employers	R2 658	R647
Richards Bay Mining	Organised Employers	R1 813	R622
TOTAL		R11 909	R4 339

Notes to the Annual Financial Statements

2019-2020			
Stakeholder Details	Constituency	Total Amount Paid R'000	Total Commitment R'000
DMRE	State	R5 777	R1 038
JB Marks	Organised Labour	R3 411	R2 049
Anglo Gold Ashanti	Organised Employers	R413	R241
Petra State Diamond	Organised Employers	R0	R0
Impala Platinum	Organised Employers	R70	R0
Richards Bay Mining	Organised Employers	R1 138	R299
Royal Bafokeng Platinum	Organised Employers	R0	R0
TOTAL		R10,809	R3,627

26.6 Board Coordination Fees

Prior to regulation and payment of remuneration for Board Members by National Treasury, the MQA Board resolved that constituencies be paid a coordination grant for the time constituencies spend in coordination for effective engagement at Board.:

Constituency	Related Party Representative	Co-ordination Fees Paid 2021	Co-ordination Fees Paid 2020
		R'000	R'000
Employers	M Ally & D Julyan	415	208
Labour	Stanley Mokgothu	343	404
TOTAL		758	612

Notes to the Annual Financial Statements

26.6 Executive Managers

	Basic salaries	Performance Bonuses	Leave paid out	Non-Pensionable allowances	Acting Allowances	Pension contributions	Total 2021	Total 2020
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
	3 937	1 675	638	3 303	2 385	572	12 510	10 970
T. G Mmotla (COO_ACEO)	-	-	-	-	-	-	-	1 112
M. Mdingi (CFO)	16	197	407	5	0	0	625	2 047
L. A Matlala (FM_ACOO)	802	205	45	312	392	117	1 873	1 681
N. B Nemagovhani (CRMEO_ACEO)	837	436	0	662	540	119	2 594	1 826
B. Mathebula (RMFS_ACOO)	586	347	47	608	392	84	2 064	1 583
M. Tladinyane (EMCS)	-	-	-	-	-	-	-	852
V. Mofu (SDRM_ACOO)	-	-	-	-	-	-	-	924
T. Tsotetsi (RMMP_AEMCS)	659	173	47	522	364	94	1 859	945
S. Xaba (M&EM,_ACRM&EO)	453	160	47	637	333	69	1 699	-
Z. Mashinini (LPSM_AEMSR)	584	157	45	557	364	89	1 796	-

Notes

T G Mmotla, Chief Operations Officer (COO) was Acting Chief Executive Officer (ACEO) until 31st March 2019 and his employment contract as the COO ended on 30th of September 2019;

M Mdingi, Chief Financial Officer (CFO) was Acting Chief Executive Office from 01 April 2019 to 30 September 2019 and his employment contract as the CFO ended on 31st of March 2020;

L Matlala, Finance Manager (FM) was Acting Chief Financial Officer from 01 April 2019 to 30 September 2019, was Acting Chief Risk Monitoring and Evaluation Officer (ACRMEO) from 01 October 2019 until 31 March 2020 and was Acting Chief Financial Officer from 01 April 2020;

N B Nemagovhani, Chief Risk Monitoring and Evaluation Officer (CRMEO) was Acting Chief Executive Officer (ACEO) from 01 October 2019;

M Tladinyane Executive Manager: Corporate Services (EMCS) from 01 February 2019 and resigned in 25th September 2019;

B Mathebula, Regional Manager: Free State Office (RMFS) was Acting Executive Manager: Stakeholder Relations (AEMSR) until 31 March 2020 and was Acting Chief Operations Officer (ACOO) from 01 April 2020;

V Mofu, Skills Development Research Manager was Acting Chief Operations Officer (ACOO) from 01 October 2019 to March 2020;

T Tsotetsi, Regional Manager: Mpumalanga Office (RMMP) was Acting Executive Manager: Corporate Services (AEMCS) from October 2019;

S Xaba, Monitoring and Evaluations Manager (M&EM) was Acting Chief Risk Monitoring and Evaluation Officer (ACRMEO) from 01 May 2020 and

Z. Mashinini, Learning Programmes: Strategic Manager (LPSM) was Acting Executive Manager : Stakeholder Relations (AEMSR) from 01 April 2020.

Notes to the Annual Financial Statements

27. Events After the Reporting Date

Adjusting Events

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

Non-adjusting Events

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

28. New Standards and Interpretations

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

GRAP 25: Employee Benefits

The standard was issued in April 2021 and its effective date is not yet determined. The standard prescribes the accounting and disclosure requirements for employee benefits. This Standard requires an entity to recognise a liability when an employee has provided service in exchange for employee benefits to be paid in the future and recognise an expense when the entity consumes the economic benefits or service potential arising from

service provided by an employee in exchange for employee benefits. It is expected that the standard will affect future accounting and disclosures of the MQA.

GRAP 104 - Financial Instruments

The standard was issued in April 2019 and its effective date is not yet determined. The standard prescribes principles for recognising, measuring, presenting and disclosing financial instruments. Financial instruments are contractual arrangements that give rise to a financial asset in one entity and a financial liability or residual interest of another.

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

29. Statement of Comparison of Budget and Actual Amounts – Variances Explanations

The budget for income, current and capital expenditure is prepared on the accrual basis of accounting. The budget is based on anticipated operational activities, tangible and intangible assets required to achieve targets set out in the Annual Performance Plan (APP) as well as estimated costs to carry out such activities or acquire the required assets.

The approved budget includes only the activities of the MQA and is for the period 1 April 2020 to 31 March 2021.

Notes to the Annual Financial Statements

MATERIAL DIFFERENCES BETWEEN THE REVISED BUDGET AND ACTUAL AMOUNTS

29.1 Skills Development Levy: Income

The actual Skills Development Levy: Income received is 3% below the final budget. The lower percentage is due the payment holiday which resulted in the MQA receiving less than what it anticipated.

29.2 Levy Interest and Penalties

Levies interest and penalties are due to non-compliance with the Skills Development Levies Act and the MQA did not anticipate that employers will not comply, hence there was no budget and this resulted in a 100% variance.

29.3 Personnel Costs

Under spending on personnel costs is as a result of vacant positions not yet filled.

29.4 Employer Grant and Project Expenditure

Actual expenditure was below the budget by 23% mainly as a result of expenditure not incurred in respect of planned targets that were not achieved, for targets achieved, less tranche payments were paid than what was initially anticipated and lower mandatory grants expenditure than budgeted was also evident in line with actual Skills Development Levy Income.

29.5 General Expenses

Actual expenditure was below the budget by 22% due to various factors, including savings from travel costs caused by alternative procedures e.g. desktop verification used by Monitoring and Evaluation and activities that were planned to take place during the year not happening due to covid-19 guidelines restrictions.

29.6 Capital Expenditure and Depreciation and Amortisation

Actual expenditure was below the budget mainly because the development and implementation of the new Enterprise Resource Planning System (ERP) which was planned to take place during the year under review, did not take place as Board considered the Ministers efforts of centralising ERP for SETAs.

Notes to the Annual Financial Statements

30. Prior Period Errors

In the current year some line items of the financial statements disclosed in the prior years were re-stated due to errors which were identified. The errors were as a result of transactions erroneously omitted and or erroneously accounted for. The restatements were done retrospectively in line with the standard. Below are classes of transactions, account balances and disclosure notes which were re-stated as a result of errors:

30.1 Employer Grant and Project Expenditure (Statement of financial performance)

As previously disclosed

Discretionary grant and project expenditure erroneously omitted

Re-stated amount

2021 R '000	2020 R '000
-	751 660
-	24 936
-	776 596

30.2 Administration Expenditure (Statement of financial performance)

As previously disclosed

Expenses erroneously accounted

Re-stated amount

-	129 243
-	(103)
-	129 140
2021 R '000	2020 R '000

30.3 Revenue from Non-exchange (Statement of financial performance)

As previously disclosed

Inter-SETA Administration receivables erroneously omitted

Inter-SETA Mandatory receivables erroneously omitted

Inter-SETA Discretionary receivables erroneously omitted

Re-stated amount

	1 190 571
	24
	46
	113
-	1 190 754

Notes to the Annual Financial Statements

30.4 Surplus for the Tear (Statement of financial performance)

	2021 R '000	2020 R '000
As previously disclosed	-	356 812
Employer grants and project expenditure adjustment above	-	(24 936)
Administration expense erroneously accounted		103
Inter-SETA erroneously accounted		183
Re-stated amount	-	332 162

30.5 Rental-Operating Leases

As previously disclosed		578
Re-mapped to IT expenses		(198)
Re-stated amount	-	380

30.6 IT expenses

As previously disclosed		5 368
Re-mapped to from rental - Operating lease		198
Re-stated amount	-	5 568

30.7 Grant and Transfer Payables (Statement of financial position)

As previously disclosed	-	354 168
Prior year creditors omission 2018-19	-	4 736
Prior year accrual erroneously included 2018-19	-	9 140
Prior year payables omission 2019-20	-	25 131
Prior year accruals erroneously included 2019-20	-	-195
Re-stated amount	-	392 980

Notes to the Annual Financial Statements

30.8 Discretionary Reserves (Statement of financial position)

	2021 R '000	2020 R '000
As previously disclosed	-	717 885
Expenditure previously omitted 2018-19		(13 804)
Expenditure previously omitted 2019-20	-	(24 651)
Re-stated amount	-	679 430

30.9 Trade and other Payables from Exchange Transactions (Statement of financial position)

As previously disclosed	-	3 778
Accruals erroneously accounted 2018-19		(73)
Accruals erroneously accounted 2019-20		(103)
Re-stated amount	-	3 602

30.10 Trade and other Receivables from Non-exchange Transactions (Statement of financial position)

As previously disclosed		55 092
Inter-SETA debtors - Administration		24
Inter-SETA debtors - Mandatory		46
Inter-SETA debtors - Discretionary		113
Re-stated amount	-	55 275

30.11 Trade and other Receivables from Exchange Transactions (Statement of financial position)

As previously disclosed		3 594
Study advance erroneously accounted for		1
Re-stated amount	-	3 595

Notes to the Annual Financial Statements

30.12 Reserves (Statement of financial position)

As previously disclosed

Expenditure previously omitted 2018-19

Expenditure previously omitted 2019-20

Re-stated amount

2021 R '000	2020 R '000
-	776 646
-	(13 804)
-	(24 651)
-	738 191

30.13 Operating Lease Obligation (Statement of financial performance)

As previously disclosed

Total Operating lease obligation previously omitted

Re-stated amount

-	0
-	225
-	225

30.14 Commitments (Disclosure notes)

As previously disclosed

Commitments erroneously included 2019-20

Re-stated amount

	459 868
	(11 372)
	448 496

30.15 Transactions with Board Members and Entities (Disclosure notes)

As previously disclosed

Transactions with Board Members and Entities erroneously cast 2019-20

Re-stated amount

	23 767
	13 382
	37 149

30.16 Other Public Entities

30.16.1 Other public entities - Receipts (Disclosure notes)

As previously disclosed

Other public entities - Receipts erroneously omitted 2019-20

Re-stated amount

	8 742
	4 469
	13 211

Notes to the Annual Financial Statements

30.16.2 Other public entities - Payments (Disclosure notes)

As previously disclosed

Other public entities - Payments erroneously omitted 2019-20

Re-stated amount

2021 R '000	2020 R '000
	7,534
	7,776
	15,310

30.16.3 Other public entities - Payables (Disclosure notes)

As previously disclosed

Other public entities - Payables erroneously omitted 2019-20

Re-stated amount

	70
	3,936
	4,006

30.16.4 Other public entities - Commitments (Disclosure notes)

As previously disclosed

Other public entities - Commitments erroneously omitted 2019-20

Re-stated amount

	0
	13,414
	13,414

ACRONYM LIST

4IR	Fourth Industrial Revolution
AET	Adult Education and Training
AGSA	Auditor-General of South Africa
AMCU	Association of Mineworkers and Construction Union
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ATR	Annual Training Reports
AQP	Assessment Quality Partner
B-BBEE	Broad-based Black Economic Empowerment
CEO	Chief Executive Officer
CET	Community Education and Training
CFO	Chief Financial Officer
COO	Chief Operating Officer
CoS	Centre of Specialisation
CRM	Customer Relationship Management
CRMEO	Chief Risk Monitoring and Evaluation Officer
CSD	Central Supplier Database
CET	Community Education and Training
CSIR	Council for Scientific and Industrial Research
DHET	Department of Higher Education and Training
DMRE	Department of Mineral Resources and Energy
DQP	Development Quality Partner
EMCS	Executive Manager: Corporate Services
EMSR	Executive Manager: Stakeholder Relations
ERP	Enterprise Resource Planning
ERRP	Economic Reconstruction and Recovery Plan
EXCO	Executive Committee
FET	Further Education and Training
FLC	Foundational Learning Competence
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
HDSA	Historically Disadvantaged South African
HEI	Higher Education Institution
HR	Human Resources
HRD	Human Resources Development
HRREMCO	Human Resources and Remunerations Committee
HVAC	Heating, Ventilation and Air Conditioning
ICT	Information and Communication Technology
IT	Information Technology
ITIL	Information Technology Infrastructure Library

ITSC	Information Technology Steering Committee
MHSA	Mine Health and Safety Act
M&E	Monitoring and Evaluation
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NATED	National Accredited Technical Education Diploma
NCV	National Certificate (Vocational)
Nedlac	National Economic Development and Labour Council
NEHAWU	National Education, Health and Allied Workers' Union
NLRD	National Learner Records Database
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSFAS	National Student Financial Aid Scheme
NUM	National Union of Mineworkers
OFO	Organising Framework of Occupations
OHS	Occupational Health and Safety
OQSF	Occupational Qualifications Sub-Framework
OTC	Occupational Trades Convener
PFMA	Public Finance Management Act
QAP	Quality Assurance Partner
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDA	Skills Development Act 1998 (Act 97 of 1998)
SDC	Skills Development Committee
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SLA	Service-level Agreement
SMME	Small, Micro, Medium Enterprises
SRPC	Strategic Resource Planning Committee
SSP	Sector Skills Plan
TVET	Technical vocational education and training
UASA	United Association of South Africa
Unisa	University of South Africa
UPS	Uninterrupted Power Supply
WSP	Workplace Skills Plans

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