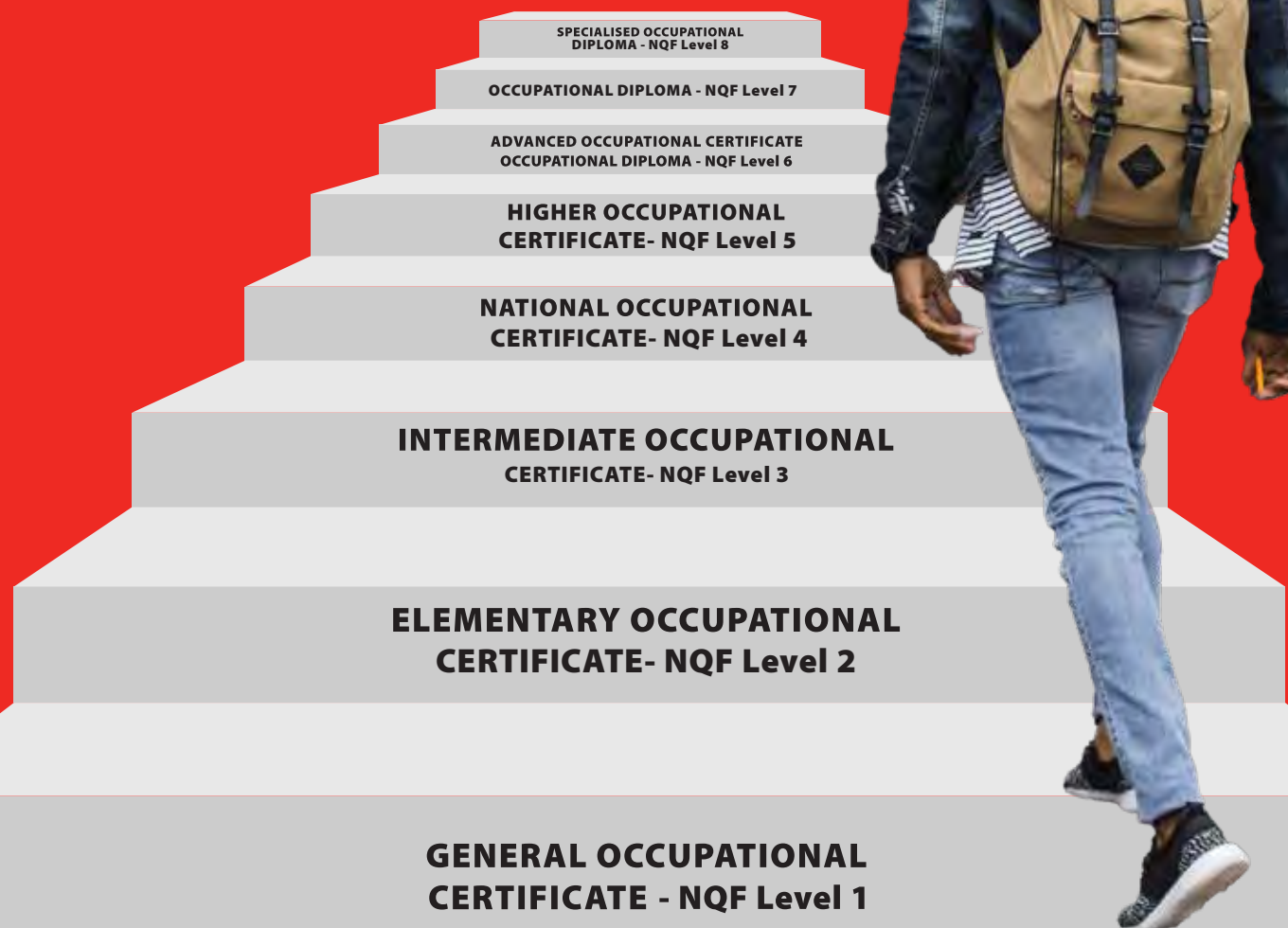




ANNUAL REPORT

2022/23

*Enhancing Access to and Success in Post-School Education and
Training, for the Future World of Work*





Quality Council for Trades and Occupations

ANNUAL REPORT

2022/23 FINANCIAL YEAR

*“Enhancing Access to and Success in Post-School Education
and Training, for the Future World of Work”*

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PART A: GENERAL INFORMATION



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME: Quality Council for Trades and Occupations

REGISTRATION NUMBER (if applicable): Not applicable

PHYSICAL ADDRESS: 256 Glyn Street
Hatfield
Pretoria
0083

POSTAL ADDRESS: Private Bag X278
Pretoria
0001

TELEPHONE NUMBER: +27 (0)12 003 1800

E-MAIL ADDRESS: info@qcto.org.za

WEBSITE ADDRESS: www.qcto.org.za

EXTERNAL AUDITORS: Auditor-General South Africa
PO Box 446
Pretoria
0001

BANKERS: ABSA, 2nd Floor, Lourie Place
Hillcrest Office Park
177 Dyer Street
Hillcrest
0083

COUNCIL SECRETARY: Ms Adri Solomon

2. FOREWORD BY THE CHAIRPERSON



Mr Themba Dlamini
Chairperson of the Council

"Promoting access to, and success in, Post-School Education and Training for the future world of work."

This Annual Report for 2022/23 co-incides with the mid-point of the implementation of the Revised Medium-Term Strategic Framework (MSTF) (2019 – 2024). It therefore provides the Quality Council for Trades and Occupations (QCTO) the opportunity to reflect on the journey traversed in terms of the implementation of its legislated mandate and Revised Strategic Plan 2020/21 to 2024/25, as well as to reflect, evaluate and strategise on what needs to be done to address the growing demands for its services and products in an economically depressed fiscal environment.

The vision of the QCTO viz. *to qualify a skilled and capable workforce*, remains relevant and critical for the Post-School Education and Training (PSET) Sector. The QCTO continues to be focused on its mission that seeks *to effectively and efficiently manage the Occupational Qualifications Sub-Framework (OQSF); in order to set standards, develop and quality assure national occupational qualifications for all who want a trade or occupation and, where appropriate, professions.*

The theme of this Annual Report, entitled: "Promoting access to, and success in, Post-School Education and

Training for the future world of work.", follows on the trajectory from previous annual reporting themes viz. the "Emergent Game Changer" (2021/22) and "Emergency to Emergence" (2020/21). The theme of the 2021/22 Annual Report was influenced by two significant policies gazetted by the Minister: HESI. The first being the Ministerial Determination on the Sub-Frameworks gazetted in December 2020, which enabled the revised OQSF gazetted in 2021. The implementation of the OQSF is positioned to be a "Game Changer" in Skills Development as it offers a suite of qualification types on Levels 1-8 of the NQF, which carries nomenclature similar to that of qualifications on the Higher Education Qualifications Sub-Framework (HEQSF). The intention is firstly to provide qualifications, part qualifications and skills programmes that are responsive to labour market demands and secondly to destigmatise the occupational and trades sector as being inferior to other professions. This "thematic" flow is indicative of the intentional path being mapped out by the QCTO to become a central cog in the PSET Sector machinery.

The QCTO continues with ongoing support to the Department of Higher Education and Training (DHET), and being part of the "early adopters" to government imperatives and interventions like the South African Economic Reconstruction and Recovery Plan (ERRP), the Skills Strategy in support of the South African ERRP, the Draft Concept Note: Master Skills Plan (MSP), as well as the Just Transition Framework (2022) and related interventions addressing amongst others Green Skills, the Hydrogen Economy, 4IR and the growing need for a demand-led skills development ecosystem.

To further map out the QCTO trajectory, the Council approved Vision 2027 Strategy, will ensure that the QCTO is a more agile, responsive and a learning organisation that can better respond to the changing world of work as we transition to a greener and more resilient economy. It also augers well with the recommendations made in the National Plan for Post-School Education and Training (2021 – 2030) (NPPSET) and the Ministerial Task Team Report on the implications of the 4th Industrial Revolution for the Post School Education and Training System (2020). The QCTO is on track in implementing the recommendations of the NPPSET. One of the key recommendations in the NPPSET is that all the Quality Councils review their Sub-Frameworks. As already alluded to above, the revised OQSF was gazetted by the Minister in 2021 and is being implemented.

The QCTO is also committed to ensuring that the skills development ecosystem creates an enabling environment that supports human resource development and contributes to alleviating poverty, reducing unemployment and addressing inequalities.

The QCTO's strategic imperative of developing, setting occupational standards as well as quality assuring occupational qualifications, part qualifications and skills programmes that are responsive to labour market and developmental state initiatives continues to be the crux of the work that the organisation does. To adequately respond to labour market demands, the QCTO engages with Industry through its Quality Assurance Partners (SETAs). The QCTO will over the remaining period of the Medium - Term Expenditure Framework (MTSF) move towards the full implementation of the Occupational Qualifications Sub-Framework (OQSF) Policy (2021).

We are optimistic that the attainment of Occupational Qualifications, Part Qualifications and Skills Programmes will lead to increased opportunities in terms of livelihood and employability for learners that achieve them. Further, that the occupational qualifications will not only be responsive to the rapid changes in technology and the changing nature of jobs of the future, but they will also enable holders to contribute to the economic growth and development of our country.

As Chairperson of the Third Council, I am delighted to report to our stakeholders that the organisation has once again fulfilled its legislative mandate as the Quality Council for Trades and Occupations (QCTO).

The long-term impact of the COVID-19 pandemic continues to pose a significant challenge to the achievement of some of the organisation's output indicators. However, through the continued hard work and dedication of its staff and leadership, the QCTO achieved 93% (26 out of 28) targets set in the Annual Performance Plan (APP) 2022/23.

The funding regime of the QCTO also came under the spotlight through ongoing engagements with the Department of Higher Education and Training (DHET), National Economic Development and Labour Council (NEDLAC), the National Skills Authority (NSA) and the Portfolio Committee on Higher Education, Science and Innovation during the year under review, in line with the National Skills Development Plan (2030). The QCTO further welcomes the recent publication of the Draft Sector Education and Training Authorities (SETAs) Grant Regulations regarding monies received by a SETA and related matters. We look forward to the positive resolution of recommendations made towards a more

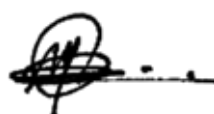
stable funding framework for the QCTO to execute its legislative mandate.

My sincere appreciation and thanks go to the Deputy Chairperson, Ms. Sibongile Antoni, for her outstanding leadership (as Acting Chairperson), supported by the highly esteemed and capable members of the Third QCTO Council, until my recent appointment in November 2022. I am also indebted to the Honourable Minister Dr. Nzimande for the confidence shown in appointing me to this august Quality Council.

In conclusion, I would like to express my sincere thanks and appreciation to the following persons:

- The Honourable Minister of Higher Education, Science and Innovation: Dr. Blade Nzimande, MP, the Deputy Minister, Mr. Manamela, MP, the Director-General (DG) of Higher Education and Training (HET): Dr. Nkosinathi Sishi, Senior Management and officials of the Department, for their continued support of the work of the QCTO.
- Ms. Mkhatswa, and the honourable members of the Portfolio Committee on Higher Education, Science and Innovation, for their steadfast support of the QCTO.
- All members of the Third QCTO Council for their sacrifice and professionalism in ensuring a skilled and capable South Africa.
- The chairpersons and members of the sub-committees of Council for their unselfish contribution and dedication to the work of the QCTO.
- All QCTO stakeholders and partners for their ongoing partnership and support to ensure we develop a skilled and capable workforce, that is able to contribute significantly to the future world of work and the growing South African economy, and
- Mr Vijayen Naidoo (QCTO: Chief Executive Officer), his Executive and Management and all QCTO staff for their dedication and hard work.

I thank you.



Mr Themba Dlamini
CHAIRPERSON
QUALITY COUNCIL FOR TRADES AND OCCUPATIONS

Date: 31 July 2023

3. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER



Mr Vijayen Naidoo
Chief Executive Officer

OVERVIEW BY THE CHIEF EXECUTIVE OFFICER:

The work of the Quality Council for Trades and Occupations (QCTO), during the year under review, was driven by its theme of “promoting access to, and success in, Post-School Education and Training for the future world of work”. Improving the quality of provisioning in the PSET Sector remains our singular objective through the implementation of Risk-Based Quality Assurance measures, a Standardised National Quality Assurance Framework and a sub-framework for occupational qualifications, part qualifications, including skills programmes that will ensure greater parity of esteem between the various sub-frameworks of qualifications on the National Qualifications Framework (NQF).

The gazetting of the Occupational Qualifications Sub-Framework (OQSF) Policy on 29 October 2021 (Government Gazette No. 45401 Notice 1463), by the Honourable Minister Nzimande, set in motion the implementation of a dynamic and responsive OQSF, that does not just offer occupational qualification types which share nomenclature and parity of esteem across the other sub-frameworks, but also enables opportunities for self-employment, employment and lifelong learning. QCTO has positioned the OQSF as a “game changer” policy in the PSET sector and launched its full implementation on 9 March 2023. The QCTO published two articles in the print media to provide further clarity to the public around the OQSF and its benefits. The first article entitled: **“A game-changer for Occupational**

Qualifications” was published on 16 March 2023, and the second article entitled: “Training for the workplace: A giant leap forward” was published on 27 March 2023.

The purpose of the OQSF Policy (2021) is to facilitate the development and registration of quality assured occupational (including trade-related) qualifications, part-qualifications and skills programmes from National Qualifications Framework (NQF) Levels 1 to 8. The OQSF makes available occupational qualifications and part-qualifications (including skills programmes) that give people access to occupations, trades and/or relevant professions. The OQSF gives effect to the Ministerial Determination of the Sub-Frameworks that comprise the National Qualifications Framework, Government Notice 1391 published in Gazette No. 44031 of 24 December 2020. It meets the needs of existing and emerging sectors by ensuring that all learners, professionals, workers, unemployed and those classified as NEET (not in employment, education or training), are provided with opportunities to equip themselves with relevant and portable competencies that support lifelong employability.

The OQSF is designed to:

- (i) Facilitate the education and training of post-school learners who will contribute to the social, cultural and economic development of South Africa and participate successfully in the variety of skills needed in the global economy.
- (ii) Be comparable with occupational qualifications offered by foreign institutions and international standards, where applicable.
- (iii) Be suitably flexible to accommodate the development of emerging trade and occupational qualification types and part-qualifications as the need arises.
- (iv) Be simple, easy to understand and user-friendly for the occupational education and training system and its stakeholders.
- (v) Facilitate the articulation of occupational qualifications and part-qualifications within the OQSF, and between the OQSF and the other two NQF Sub-Frameworks, - and assist learners to identify potential progression routes (options), such as entry, exit and learning pathways, particularly in the context of lifelong learning.

- (vi) Facilitate vertical and horizontal progression within the sub-framework, and diagonally across the NQF through articulation with the other sub-frameworks.
- (vii) Facilitate articulation through the utilisation of articulation pathway maps for each registered occupational qualification and part-qualification both within and between sub-frameworks.

The QCTO also published its Third Research Bulletin (2022/23), which amongst others provides the reader with a comparison of the Revised OQSF with five other international vocational and professional qualifications frameworks.

The QCTO is pleased with the steady increase in uptake of occupational qualifications especially in the public education system. This is largely attributable to the approximately R2,2 billion cash injection for TVETs and approximately R 500 million for CETs granted by the Minister: HESI. Overall, there was a 38.0% increase (268, i.e. 211 plus 57 in 2022/23 occupational qualifications active out of 704 registered occupational qualifications to current date) across the sector, but with only 14 “Ministerially funded” occupational qualifications with learner uptake in TVET Colleges. In addition to SDPs accredited, the QCTO has accredited 51 TVET College sites and 21 CET College sites for Skills Programmes.

In response to the ERRP, the Department of Higher Education and Training (DHET) and the Department of Science and Innovation (DSI) under the direction of the Minister of Higher Education, Science and Innovation (MHESI), Dr Nzimande, developed strategies to ensure successful implementation of the South African Economic Reconstruction and Recovery Plan (ERRP) within the PSET system. The QCTO played a significant role in the development of the Economic Reconstruction and Recovery Skills Strategy (ERRSS) and acknowledges that it has a significant role to play in the execution of the strategy. In response to the DHET’s Skills Strategy, the QCTO has developed a Plan of Action and response to ensure the successful implementation of appropriate mitigation strategies and actions in support of the ERRSS.

The publication of the Ministerial Determination of the Sub-Frameworks that Comprise the National Qualifications Framework on 24 December 2020, the OQSF Policy on 29 October 2021, and the soon to be published Economic Reconstruction and Recovery Skills Strategy Implementation Plan of the DHET (March 2022) will significantly impact the scope and work of the QCTO.

Whilst these publications induce game changers in the PSET sector, it will invariably require more financial and human resources to do the work.

Over the year under review, QCTO mandate and activities were funded at a cost of R128 959 million. This included an amount of R23 657 million, which was an approved surplus from the prior year that helped to cover the budget shortfall of the QCTO. However, the total revenue available to the QCTO was R139 881 million and this consisted of the fiscal grant from the DHET (R 28 506 million), Sector Education and Training Authority’s levy grant allocation (R96 147 million), conditional grants from NSF of R2 246 million and other income (R12 982 million).

In terms of expenditure, the organisation has experienced a steady rise as a result of increases in the annual performance targets as well as general price increases of goods and services. Total expenditure grew by 6.6% from R121 041 million in 2021/22 to R128 959 million in 2022/23. This occurred against the backdrop of a decrease in revenue of 27%, which placed the organisation under tight financial constraints. This has resulted in an accounting deficit for the organisation of R13 361 million compared to a surplus of R2 892million in the 2021/22 financial year. The QCTO did not discontinue any of its planned activities for the year under review but continued to strengthen its relationship with SETAs in terms of bringing the QCTO Vision 2020 to conclusion. The QCTO has also forged strong working relationships with local and international organisations to share best practice and experience. This has resulted in the QCTO being able to develop quality standards and models for the implementation of occupational qualifications. The QCTO achieved 93% (26 out of 28) of its performance targets. This is an improvement from the 2020/2021 achievement of 77%.

During 2021/22, the QCTO identified and filled only critical posts as reflected on its approved organogram due to the financial constraints. The QCTO funding model does not guarantee the quantum of funding for the medium to long term and therefore has to fill posts conservatively and within the parameters of the available funding constraints.

The QCTO remains committed to good corporate governance and prudent expenditure management. To enhance these control measures, the QCTO applies stringent consequence management practices.

QCTO'S RESPONSE TO COVID-19 PANDEMIC

Whilst many staff members were infected and affected by the pandemic, we continued to be vigilant in fighting the virus through non-medical interventions and ongoing awareness of the benefits of vaccination to ensure a safe working environment.

No staff member lost their life during the period of the pandemic and we are mindful of the many lives that were affected by the pandemic and share our sympathy with those who have lost loved ones during the pandemic.

The QCTO continues to implement (as a pilot) a hybrid model of work on a rotational basis with a 70:30 ratio (70% office and 30% home). The plan is in keeping with international trends and keeping the organisation ready to continue with minimal disruption should any future situation result in a shutdown. This initiative also serves to "cushion" the financial burden on staff in the midst of the economic crisis and high transport costs. All staff have been supplied with the requisite tools of trades.

There are no subsequent events to report on after the closure of the financial year on March 2023.

I remain grateful to the Third QCTO Council, Minister of Higher Education, Science and Innovation, Dr Blade Nzimande and Senior Management and officials of the DHET, the Portfolio Committees on Higher Education, Science and Innovation, as well as the Executive, Management and all QCTO staff, for their continued dedication, support and commitment to the mandate, vision, mission of the QCTO: that of ensuring a skilled and capable workforce.

*"Together we can become the
"Game Changers"*



Mr Vijayen Naidoo
CHIEF EXECUTIVE OFFICER
QUALITY COUNCIL FOR TRADES AND OCCUPATIONS

Date: 31 July 2023



4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the annual financial statements audited by the Auditor-General South Africa.

The Annual Report is complete, accurate and free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this report.

The accounting authority is responsible for establishing and implementing a system of internal control that has been 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 external auditors are engaged to express an independent opinion on the annual financial statements.

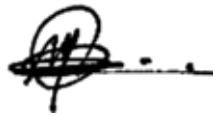
In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2023.

Yours faithfully



Mr Vijayen Naidoo
CHIEF EXECUTIVE OFFICER

Date: 31 July 2023



Mr Themba Dlamini
CHAIRPERSON OF THE COUNCIL

Date: 31 July 2023

5. STRATEGIC OVERVIEW

This Annual Report for 2022/23 is the third to be produced in terms of the approved QCTO Strategic Plan to cover the five-year period from 2020/21 to 2024/25. Throughout the previous five-year planning period, the focus was on re-establishing the organisation and re-defining its operations. This five-year period is further characterised by refining outcomes, outputs, output indicators, targets and baselines as the QCTO mandate is implemented. This Annual Report further provides a moment in the mid-term to pause, evaluate and strategise on the way

forward for the remainder of the MTSF. A key element of this period will be the full implementation of the Occupational Qualifications Sub-Framework (OQSF) Policy (2021) as well as its Vision 2027. The QCTO achieved 93% (26 out of 28) of its targets this year, which embodies an increase from the previous year. The achievement for 2021/22 was 77% (24 out of 31 targets). This achievement of set targets will further improve as the organisation starts to implement its full mandate and set clear targets that adequately demonstrate performance and impact.



5.1 VISION

*The QCTO's vision is to **qualify** a skilled and capable workforce.*



5.2 MISSION

The QCTO's mission is to effectively and efficiently manage the OQSF in order to set standards and develop and quality assure national occupational qualifications for all who want a trade or occupation and, where appropriate, professions.

5.3 VALUES

Innovation and Excellence

We rise to opportunities and challenges, we continuously learn, we are innovative and we consistently produce work of distinction and fine quality, on time and in line with our clients' needs.

Empowerment and Recognition

We enable people to make things happen, we encourage and support one another when and where needed and we celebrate successful accomplishment of work.

Respect and Dignity

We value and show consideration for all the people we work with, treat one another with kindness and thoughtfulness and embrace inclusivity.

Ethics and Integrity

We embrace and practice a moral code of trustworthiness, honesty and truthfulness in everything we say and do and we honour our promises and commitments

Ownership and Accountability

We take ownership of our responsibilities and we answer for our decisions and actions.

Authenticity

We protect the public by issuing authentic, quality qualifications,

6. LEGISLATIVE AND OTHER MANDATES

The QCTO is established in terms of the Skills Development Act (Act 97 of 1998), as amended, and was listed as a Schedule 3A Public Entity under the Public Finance Management Act, effective from 1 April 2010 (Gazette Notice 33900). The National Qualification Framework (NQF) Act (Act 67 of 2008), as amended, repositioned the QCTO as a Quality Council responsible for the development and management of the Occupational Qualifications Sub-Framework (OQSF).

6.1 CONSTITUTIONAL MANDATE

The QCTO is not directly referenced in the Constitution. However, there are two sections in the Bill of Rights to which its functions relate:

22. Freedom of Trade, Occupation and Profession

Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law.

29. Education

1. Everyone has the right
 - a. to a basic education, including adult basic education; and
 - b. to further education, which the state, through reasonable measures, must make progressively available and accessible.

In ensuring the quality of occupational qualifications, which include qualifications leading to trades, other occupations and professions, the QCTO contributes to Section 22.

In developing and quality assuring occupational qualifications, part qualifications and skills programmes that augment and/or replace the menu of qualifications available in the Post-School Education and Training (PSET) landscape, it also contributes to Section 29(1)(b).

6.2 LEGISLATIVE AND OTHER MANDATES

The following Acts and Legislation are applicable:

6.2.1 National Qualifications Framework Act, No. 67 of 2008

The National Qualifications Framework (NQF) Act, as amended, is the guiding act for the qualification sub-frameworks with the Skills Development Act, the General and Further Education and Training Qualification Act (GENFETQA Act) and the Higher Education Act providing the specific functions for each of the quality councils.

The following extracts from the National Qualifications Framework Act provide a summary of the National Qualifications Framework and the functions of the Quality Councils:

Section 4 – Framework

“The NQF is a comprehensive system approved by the Minister for the classification, registration, publication and articulation of quality-assured national qualifications.”

Section 7 – Sub-frameworks

“The NQF is a single integrated system which comprises of three coordinated qualifications sub-frameworks, for:

- a. General and Further Education and Training, contemplated in the GENFETQA Act;
- b. Higher Education, contemplated in the Higher Education Act; and
- c. Trades and Occupations, contemplated in the Skills Development Act.”

Section 27 – Quality Councils

All three Quality Councils perform their functions in line with the NQF Act and the respective Acts establishing such quality Councils with regard to the development, implementation and quality assurance of their respective qualification sub-framework, qualifications and part qualifications and the learning and assessment provision thereof, and must:

- d. perform its (their) functions subject to this Act and the law by which the QC is established;
- e. comply with any policy determined by the Minister in terms of section 8(2)(b);
- f. consider the Minister's guidelines contemplated in section 8(2)(c);
- g. (iii) perform any other function required by this Act; and
- h. (iv) perform any function consistent with this Act that the relevant Minister may determine".

More detailed prescriptions are contained in Section 27 of the NQF Act.

In terms of the National Qualifications Framework Act, the specific mandate (in summary) of the QCTO is as follows:

- Develop and manage its sub-framework, make recommendations and advise the Minister on matters relating to its sub-framework.
- Consider and agree on level descriptors ensuring that they remain current and appropriate.
- Develop and recommend qualifications to the South African Qualifications Authority for registration.
- Develop and implement quality assurance policy for registered qualifications.
- Maintain a database of learner achievements and submit learners' achievement data to SAQA for recording on the National Learner's Records Database.
- Conduct or commission and publish research.
- Inform the public about its sub-framework.

6.2.2 Skills Development Act (SDA), No. 97 of 1998

The Skills Development Act, as amended in 2008, provides for the establishment, composition, constitution and other functions of the QCTO providing the requirements for both the:

- Corporate form of the QCTO (Structure and Functions).
- Core services of the QCTO (Products and Services).

The following table summarises the relevant sections of the Skills Development Act as they relate to the QCTO:

Chapter 6C – Quality Council for Trades and Occupations
Section 26F – Policy on occupational standards and qualifications
Section 26G – Establishment of the QCTO
Section 26H – Functions of the QCTO
Section 26I – Delegation of functions
Section 26J – Regulations regarding occupational standards and qualifications
Section 5(1) (d) – Functions of National Skills Authority
Section 6(2)(h) – Composition of National Skills Authority and term and vacation of office
Section 10(1)(e) and (j) – Functions of SETA
Section 17(1)(c) – Learnership agreements
Section 22(2)(c)(vii) – Administration of Act by Department
Section 26(A)(2)(b) – National artisan moderation body
Section 26(D)(4) and (5) – Trade tests
Schedule 3 – Composition and Constitution of the QCTO
Schedule 3(1) – Composition of QCTO
Schedule 3(2) – Constitution of QCTO

In terms of the Skills Development Act, the specific mandate of the QCTO is as follows:

- To oversee the development and maintenance of the Occupational Qualifications SubFramework on the National Qualifications Framework:
 - To advise the Minister of Higher Education, Science and Innovation, on all matters of policy concerning occupational standards and qualifications;
 - To establish and maintain occupational standards and qualifications;
 - To quality assure occupational standards and qualifications and learning in and for the workplace;
 - To design and develop occupational standards and qualifications and submit them to the SAQA for registration on the National Qualifications Framework; and
 - To ensure the quality of occupational standards and qualifications and as well as learning in and for the workplace.

6.2.3 Higher Education Laws Amendment Act No. 26 of 2010

On 7 December 2010, the Higher Education Laws Amendment Act was passed in which the following sections of the Skills Development Act, relevant to the QCTO, were amended:

Amendment of section 26 of Act 97 of 1998, as inserted by section 11 of Act 37 of 2008:

5. Section 26G of the Skills Development Act, 1998, is hereby amended by the substitution of subsection (5) of the following subsection:

(5)

- (a) The Minister must appoint the chief executive officer of the QCTO on the recommendation of the members of the QCTO.
- (b) If the Minister does not agree with the recommendation of the members of the QCTO, they must make another recommendation for consideration by the Minister
- (c) The QCTO must appoint such number of employees to assist the QCTO in the performance of its functions as it may deem necessary
- (d) Despite paragraph (a), the QCTO is the employer of the executive officer and employees and must determine their remuneration, allowances, subsidies and other conditions of service
- (e) Staff identified in posts on the establishment of the Department, who immediately before the commencement of the Higher Education Laws Amendment Act, 2010, performed functions relating to the administrative management of the QCTO may, subject to section 197 of the Labour Relations Act, 1995 (Act No. 66 of 1995), be appointed or transferred to the QCTO.

6.2.4 Public Finance Management Act, No. 1 of 1999

On 31 December 2010, the QCTO was listed as a Schedule 3A Public Entity under the Public Finance Management Act, effective retrospectively from 1 April 2010 (Gazette Notice 33900), as per section 26(G)(1) of the SDA. It is therefore subject to all the measures outlined in that Act relevant to such entities.

6.2.5 Other Legislation

The Minister of Higher Education, Science and Innovation, *Minister Nzimande*, published the *Ministerial Determination of the Sub-Frameworks that comprises the National Qualifications Framework (NQF, on 24 December 2020, (Gazette No. 44031)*. This Ministerial determination paved the way for the publication and implementation of the *Occupational Qualifications Sub-Framework (OQSF) OQSF Policy on 29 October 2021*, in terms of section 8(2)(b) of the National Qualifications Framework (NQF Act, 2008 (Act No. 67 of 2008)), in Government Gazette No. 45401 Notice 1463.

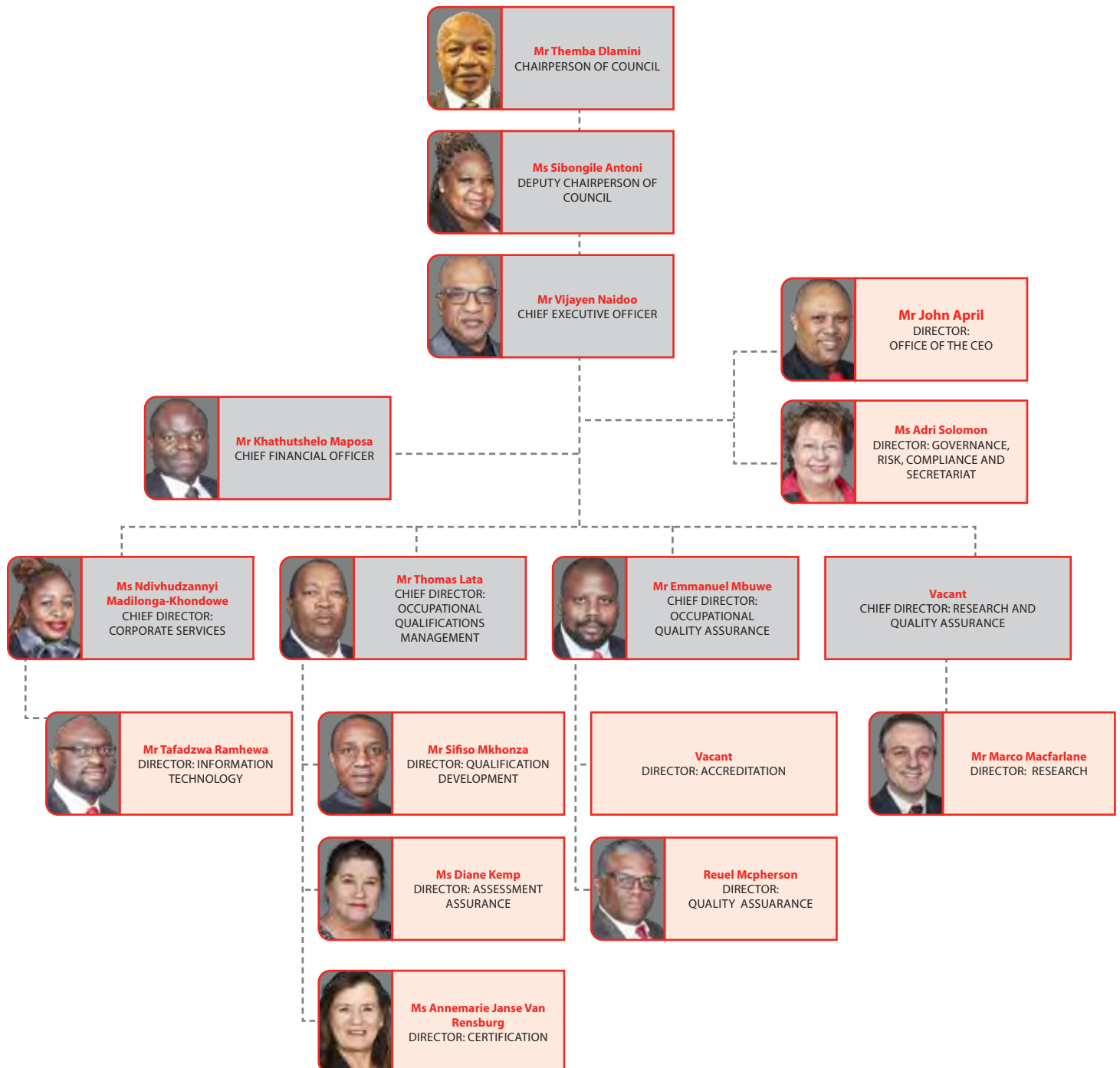
With respect to accomplishing its mandate, the work of the QCTO over the period of the 2021/22 to 2024/25 *Strategic Plan (Revised)* is encapsulated into three main strategic outcomes:

- Creating a dynamic Occupational Qualifications Sub-Framework (OQSF);
- Ensuring the development and quality assurance of occupational qualifications, part qualifications and skills programmes that are responsive to labour market and developmental state initiatives; and
- Creating a QCTO that is a learning organisation.

The National Plan for Post-School Education and Training (2021 – 2030), gives effect to the vision of the White Paper for Post-School Education and Training (2013). The Plan simplifies, aligns, and clarifies the range of policy documents, plans, and strategies currently in existence that impact on the system without reducing the diversity of the system, but making it work better *as a system*, bringing together institutions and traditions with very different histories and investments, and finding ways of making them work together towards common goals. The Plan further includes outcomes based strategies that the QCTO has duly considered and incorporated, as far as possible, in its Vision 2027.

In responding to these imperatives, the QCTO has embarked on the repositioning of the organisation's Human and Financial Resources to a more agile, responsive and learning organisation.

7. ORGANISATIONAL STRUCTURE



PART B: PERFORMANCE INFORMATION



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General South Africa (AGSA) currently performs the necessary audit procedures on the performance information in accordance with Findings Engagement where no assurance opinion or audit conclusion will be provided. Only material findings on the performance against predetermined objectives is included in the report to management under the

Predetermined Objectives heading in the Report on Other Legal and Regulatory Requirements section of the auditor's report.

Refer to page 77 of the Report of the AGSA, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

2.1.1 Policy Imperatives

The mandate of the QCTO is to develop and quality assure occupational (including trades) qualifications, part qualifications and skills programmes as well as to manage the Occupational Qualification Sub-Framework (OQSF). This latter aspect of the organisation's mandate encompasses:

Implementation of the Ministerial Determination of Sub-Frameworks that comprises the National Qualifications Framework (NQF) (2020)

- Implementation of the Occupational Qualifications Sub-Framework (OQSF) Policy (2021):
 - Developing and submitting new occupational qualifications and part qualifications to SAQA for registration;
 - Overseeing the NATED Report 190/1 Part 2 qualifications (N4 to N6 and National N Diploma) along with the total revision of these qualifications;
 - Overseeing the Historically Registered (unit standard based and private provider based) Qualifications and deregistration or redesign thereof as the case may be; and
 - Maintaining a database for Skills programmes.

Managing the core objectives and related outcomes of the OQSF includes the accreditation of Skills Development Providers and Assessment Centres, Recognition of Prior Learning (RPL), articulation, quality assurance of provisioning and assessments through standardised final integrated assessments and certification.

The quality assurance system ensures a consistent system which provides the assurance foundation for verifiable and authentic certificates issued. Our RPL regime promotes lifelong learning, as indicated in the various policies of the country. The QCTO is also cognisant of the publication in the *Government Gazette No. 48336* for the call for public comment to repeal the *RPL Coordination Policy (2016)* and the proposal as referred to in the *Report and Amendments to the Recognition of Prior Learning Coordination Policy (2016) of March 2022* to replace the RPL Policy by an RPL Implementation Framework. At the time of the compilation of this Annual Report, the public

comment process was not yet concluded and the QCTO looks forward to the conclusion of the said policy after the consultation process.

In performing these duties, the organisation takes cognisance of the various national policy initiatives and imperatives, including the following:

- **National Development Plan 2030 (2012)**
- **White Paper for Post-School Education and Training (2013)**
- Ministerial Guidelines on Implementation of the National Qualifications Framework (NQF)
- NQF Evaluation Improvement Plan
- National Skills Development Plan 2030 (2019)
- Revised Medium-Term Strategic Framework (2019 - 2024)
- Ministerial Determination of Sub-Frameworks that comprises the NQF (2020)
- South African Economic Reconstruction and Recovery Plan (2020)
- NQF Implementation Framework 2021 - 2025
- Revised Strategic Plan 2020/21 to 2024/25 of the Department of Higher Education and Training
- Skills Strategy in support of the South African Economic Reconstruction and Recovery Plan (2022)
- National Plan for Post School Education and Training (2021 - 2030)
- Just Transition Framework for South Africa (2022)
- South Africa's Just Energy Transition Investment Plan (2023 - 2027)
- DTI Masterplans
- A National Implementation Framework towards the Professionalisation of the Public Service (2020)
- National Skills Fund Strategic Plan (2020 - 2025)
- District Development Model
- A review of South Africa's Higher Education, Science, Technology and Innovation Institutional Landscape (HESTIIL) (2020)
- Department of Science and Innovation, Decadal Plan (2022)
- Report of a Ministerial Task Team on the implications of the 4th Industrial Revolution for the Post-School Education and Training system (2021)

In respect of the national policy initiatives mentioned above, the QCTO has fully embraced and where possible, incorporated many of the objectives as espoused in these documents, acknowledging the importance of the QCTO's contribution to the success of the national

policy initiatives through the execution of its legislative mandate.

Revised Medium-Term Strategic Framework (2019 - 2024) and the National Development Plan 2030 (2012)

The QCTO contributes to the collective achievement of Priority 3 (Education, Skills and Health) of the Revised Medium-Term Strategic Framework (MTSF). The successful implementation of the Revised MTSF and the National Development Plan (NDP), remains critically dependent on access to education and training of the highest quality.

The theme of this Annual Report: “Promoting access to, and success in, Post-School Education and Training for the future world of work”, further supports this ideal.

The QCTO diligently pursues the increase of access to occupationally directed qualifications and skills programmes that are aligned with economic areas of highest demand, with specific focus on increasing the supply of artisan skills and digital skills, which is facilitated through an emphasis on Technical Vocational Education and Training (TVET) College and Community Education and Training (CET) College expansion interventions. In executing its mandate, the QCTO has prioritised the development of trade qualifications, in particular those related to the Strategic Integrated Projects (SIPs), as well as the priority occupations identified in the *Skills Strategy in support of the South African ERRP (2020)*, that are responsive to labour market and developmental state initiatives. Support for the Centres of Specialisation (COS) Project, was evidenced in the recent *inaugural graduation on 29 November 2022*, hosted by Minister Nzimande, where over 350 artisans that went through training and trade testing on occupational trade qualifications were handed their Occupational Trade Certificates in various trades.

The National Development Plan (NDP) has set a target for the introduction of 30 000 skilled artisans to join the workplace per year by 2030 as an imperative for producing a skilled and capable workforce engaged in sustainable economic endeavour. Whilst there has been a decline in the number of artisans produced in the 2020/21 financial year, compared to the 2019/20, the Minister has made a clarion call to drastically increase the number, leading up to 2030, to realise the NDP target. The QCTO's support to artisan development in the country is further underscored by the key focus of the

National Apprenticeship and Artisan Development Strategy 2030 (2022) of rejuvenating the apprenticeship system. For the 2022/23 reporting period, QCTO issued 21 568 trade certificates.

From the *Report on monitoring National Development Plan (NDP) indicators and targets (December 2022)*, *NDP Implementation Pathways towards 2030 and Critical Actions*, *A Review of the National Development Plan 2030 (2020)*, the *report on the Analysis of PSET Trends towards NDP 2030 (2020)*, and other similar reports and reviews, it is clear that there is a need for *course correction*. The QCTO's Vision 2027 takes these into account and has set the organisation on a new course, to mitigate potential risks and anticipated changes in the skills development ecosystem caused by the future world of work, 4IR; for example, Artificial Intelligence (AI), Machine Learning, big data, gig; blue, green and circular economy, digitalisation, automation, and globalisation.

It is therefore imperative for QCTO to keep ahead of the curve in terms of new technologies and the demands of the digital economy.

The White Paper for Post-School Education and Training (2013) and National Plan for Post-School Education and Training (2021 – 2030)

The White Paper for Post-School Education and Training's (WP PSETs) focus on expansion of TVET colleges has been an important driver of the QCTO's operations where substantial work has been performed on converting NATED qualifications into occupational qualifications that have significant relevance to industry, over the years, as well as building the capacity of the sub-sectors to offer occupational qualifications and skills programmes.

This is geared towards making TVET colleges institutions of choice.

For the 2022/23 period, this work has continued to be a major focus of the QCTO, and the reconstruction of Engineering Studies, in partnership with the relevant stakeholders like the Department of Higher Education and Training (DHET) and the Engineering Council of South Africa (ECSA).

The QCTO has provided ongoing support through its capacity building interventions, to DHET accreditation projects, in support of the expansion of access to TVET and CET colleges, to offer occupational qualifications and skills programmes.

The White Paper seeks to achieve a Post-School System that:

- can assist in building a fair, equitable, non-racial, non-sexist and democratic SA;
- a single, coordinated PSET system;
- expanded access;
- improved quality and increased diversity of provision;
- a stronger and more cooperative relationship between education and training institutions and the workplace; and
- PSET system that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives.

The National Plan for Post-School Education and Training (NP PSET), amongst others, seeks to support the vision of the WP PSET by:

- Indicating the goals, strategies and responsibilities for achieving an improved, transformed, expanded, responsive and articulated PSET system,
- Putting in place a roadmap for realising the goals of the White Paper, and
- Detailing the strategies through which the outcomes will be accomplished and the PSET stakeholder's primary responsibilities in the implementation of the NP PSET is clearly outlined.

This Plan sets the strategic direction of all actors in the quality assurance environment of the skills development ecosystem over the coming years leading to 2030.

The National Skills Development Plan 2030 (2019)

The mission of the National Skills Development Plan (NSDP) is to improve access to occupations in high demand and priority skills aligned to supporting economic growth, employment creation and social development whilst also seeking to address systemic considerations.

Amongst others, the purpose of the NSDP is to seek to ensure that South Africa has adequate, appropriate and high quality skills that contribute towards economic growth, employment creation and social development.

According to the NSDP, for the country to achieve high levels of economic growth and address unemployment, poverty and inequality, social partners must work together to invest in skills development in order to achieve the vision of an educated, skilled and capable workforce for South Africa.

The NSDP states that the Quality Assurance Function (QAF) needs to be streamlined. The quality assurance conducted by SETAs and NAMB will be integrated into the QCTO, at the opportune time. Funding allocation from the fiscus and skills levy will be reviewed to ensure that QCTO is adequately resourced to comply with its legislative mandate. Discussions regarding the revoking of quality assurance functions delegated to the SETAs and the incorporation of quality assurance functions executed by NAMB commenced in 2015, has been concluded through Vision 2020. The NSDP provides the framework for the integration of these functions into the QCTO. Further to this, the Minister published for public comment, the *Draft Sector Education and Training Authorities (SETAs) Grant Regulations regarding monies received by a SETA and related matters*, on 27 January 2023. This will pave the way for a more stable funding framework, should the recommendations be accepted and promulgated.

In order to give effect to the outcomes and principles of the NSDP, the QCTO has amongst others, entered into Service Level Agreements (SLAs) with SETAs which allow the QCTO to execute its quality assurance functions while the SETAs and other Quality Partners (QPs) take responsibility for the quality control/management activities related to the implementation of skills development initiatives.

Revised Strategic Plan 2020/21 to 2024/25 of the Department of Higher Education and Training

The QCTO's Revised Strategic Plan 2020/21 to 2024/25 and Annual Performance Plan (APP) 2022/2023 resonate well with the following outcomes as outlined in the Revised Strategic Plan of the Department:

- Expanded access to PSET opportunities;
- Improved success and efficiency of the PSET system;
- Improved quality of PSET provisioning; and
- A responsive PSET system.

The QCTO's strategies and plans are aligned to the DHET Revised Strategic Plan as we move to a more improved and integrated way of planning in the PSET system.

The South African Economic Reconstruction and Recovery Plan (ERRP)

President Cyril Ramaphosa launched the South African Economic Reconstruction and Recovery Plan (ERRP) on 15 October 2020. The ERRP recognises the extent of the crisis caused by the pandemic and takes into consideration the impact of it on our stagnant economy and low levels of investment and growth in South Africa.

The ERRP further emphasises that skills development, science and innovation as not only critical in driving South Africa's economic reconstruction and recovery, but also key in sustaining it. As a result, the Department developed a *Skills Strategy: Support for the South African Economic Reconstruction and Recovery Plan (2022)* to support government's efforts to mitigate the long-term impact of COVID-19 and the initiatives towards economic and social recovery.

The QCTO has ensured the incorporation of applicable interventions as espoused in the Skills Strategy as part of its Annual Performance Plan (APP) for 2022/23. The QCTO is part of the Technical Implementation Forum (TIF) that reports quarterly to the Department on the progress made with regards to the implementation of interventions within its ambit.

According to the Department's Skills Strategy, the QCTO is expected to play a central and critical role in providing an appropriate response to the economic reconstruction and recovery and its interventions both in the short, medium and long term skills needs of the country. The Chief Executive Officer (CEO) of the QCTO serves as the lead in the CEO's Committee (SAQA, CHE, Umalusi and QCTO) for resolving blockages within the PSET sector as it relates to the roles of the South African Qualifications Authority (SAQA) and the other Quality Councils.

The QCTO further noted that, whilst many of the interventions are aligned to its legislative mandate, much of the work would require additional funding to ensure the successful implementation of interventions as outlined in the Department's Skills Strategy and would therefore require additional funding either through the SETA Levy Grant application process and or the National Skills Fund (NSF), due to limited budget, as these activities were not previously budgeted for.

Industrial Policy Action Plan (IPAP)

Industrial policy has the overarching objective of enhancing the productive capabilities of the economy. In other words, the industrial policy aims to increase the economy's ability to produce more complex and high value-added products with greater efficiency. In simple terms, the objective is to produce more value using less resources. Building the economy's industrial capabilities is a continuous and long-term endeavour as technologies continuously evolve.

The *Draft Country Investment Strategy (2022)*, further emphasises the challenges faced by the lack of appropriate and sufficient digital skills. The *Master Plans* for the various economic sectors, further gives direction

on interventions required for the skills development system, in the medium to long term, to which the QCTO is gearing in terms of developing a forward looking skills planning mechanism.

The NQF Evaluation Improvement Plan

The improvement plan makes the following recommendations that are of relevance to the QCTO:

The DHET, the Department of Basic Education (DBE), SAQA and the Quality Councils must prioritise the revision of the objectives of the NQF set out in the Act so as to ensure that they describe the specific contribution of the NQF to systemic goals.

To accomplish this, the DHET, SAQA and Quality Councils must consider the following actions:

- SAQA, DHET and the quality councils must create theories of change and/ or log frames that can be used as tools to clarify the following:
 - a. The aims and objectives of the NQF, and how these will contribute to the broader goals of the education and training system; and
 - b. How the specific NQF objectives are expected to be achieved. The required tools should be developed through cooperation between the NQF bodies and other key stakeholders and experts in the economic areas of greatest priority. Fundamentally, the intent of this recommendation is to use the theory of change approach (or any other appropriate method) to come to an agreement about the ways in which the NQF Act will be implemented and its objectives achieved.
- DHET, in consultation with DBE, SAQA, and the Quality Councils, must finalise the standards and criteria that all policies and guidelines developed under the NQF Act should comply with.

The QCTO continued to manage the legacy or Historically Registered Qualifications, through the re-alignment, review and or de-registration processes, in terms of the *Ministerial Determination of the Sub-Frameworks that Comprise the National NQF*.

As the QCTO addressed all of these matters, it was well aware of the need to focus all its resources on the full implementation of the OQSF Policy (2021). Furthermore, the ongoing registration of occupational qualifications and the significant reduction of legacy qualifications remained a priority for the year.

In respect of accomplishing its mandate, the work of the QCTO was guided by the following strategic imperatives, as adopted by Council, in its Revised Strategic Plan, by:

- Creating a dynamic Occupational Qualifications Sub-Framework (OQSF);
- Ensuring that the development and quality assurance of occupational qualifications, part qualifications and skills programmes are responsive to labour market and developmental state initiatives; and
- Creating a QCTO that is a learning organization.

The NQF Implementation Framework 2021 - 2025

SAQA and the Quality Councils are tasked with ensuring the further development and implementation of the National Qualifications Framework (NQF). This is the 3rd NQF Implementation Framework that SAQA has developed and monitored as to its implementation. *The NQF Implementation Framework (2021 – 2025)* allows for NQF organisations to work on a common agreed-upon roadmap for implementation that is accessible to all NQF partners and stakeholders. The current NQF Implementation Framework builds on the work and the priorities set out in previous versions, as well as the recommendations and objectives emanating from the NQF Act Implementation Evaluation Improvement Plan and the 2017 NQF Impact Study. Implementation of the NQF requires careful thought and planning. This Implementation Framework provides a broad roadmap for the implementation of the NQF, and includes:

- a. Developing a NQF-wide automated end-to-end process for the registration of qualifications;
- b. Finalisation by the NQF partners of the standards and criteria that all policies and guidelines developed under the NQF Act should meet;
- c. Developing and implementing a Monitoring and Evaluation Framework for the NQF; and
- d. Minimising areas of duplication in key regulatory processes and adopting a risk-based approach to regulation.

2.1.2 Opportunities

The challenges brought about by the after effects of the COVID-19 Pandemic as well as the weak economy and high unemployment rate present opportunities for the QCTO to fast-track some of the planned initiatives and those already implemented. Although the QCTO cannot guarantee employment, it can guarantee employability by providing programmes that are demand led. The QCTO has developed policies and guidelines for e-learning and e-assessment. These policies embrace multi-modal learning and assessment opportunities for learners. The

QCTO has also commenced with the development of an Item Bank system that will facilitate online and on-demand assessment opportunities. Further, the Revised OQSF Policy will streamline occupational qualifications management. The 4IR (Fourth Industrial Revolution) also requires new qualifications, which is seen as an opportunity.

The Future World of Work (FWOW) discussions presented additional opportunities for developing new occupational qualifications and skills programmes. This included discussions around renewable energy and the circular economy, which will increase the demand for green skills. Generally, keeping up with the discussion on the changing environment will allow for adequate responses in terms of new occupational qualifications or the review of existing qualifications.

The ERRP and the DHET's Skills Strategy will also provide many opportunities and possibilities for the mainstreaming of occupational qualifications, part qualifications and skills programmes that will lead to an increased uptake in enrolments by TVETs and CETs.

2.1.3 Threats

The QCTO needed to be agile and ready to respond to shifts in focus and priorities that resulted from the after effects of the COVID-19 Pandemic, weak economy, high unemployment, etc. The QCTO continued to put greater effort into ensuring that its mandate and role are well understood amongst stakeholders.

Responding to the needs of the 4IR and the green economy is a threat due to a lack of specialist capacity in the organisation. This, coupled with exponential technological development, continues to threaten the QCTO's standing amongst stakeholders, hence the QCTO's strategy to rapidly adapt through building response capabilities and agility by entering into Service Level Agreements with SETAs and other recognised bodies who have access to specialist capacity through their industry represented chambers.

The organisation's standing remains threatened by potential amendments to the NQF Act and SDA and a possible increase of its scope combined with constant changes to education and the SETA landscape. These should be responded to well. The lack of understanding of the uniqueness of the QCTO as a Quality Council is one of the biggest threats facing it, since this means that it is forced to comply with the "perceptions" of its stakeholders based on policies that were primarily developed for more academic and institutionalised education and training.

The long-term effect of the four-month skills level holiday, stagnant economy and the unintended impact of the COVID-19 pandemic further placed pressure on the financial resources and operational sustainability of the QCTO as the Skills Levy baseline has dropped significantly since 2021/2022. In the long-term, additional funding needs to be secured to support the interventions of the ERRP and the Department's Skills Strategy.

2.2 ORGANISATIONAL ENVIRONMENT

2.2.1 Overview

The QCTO has made great strides over the last decade and has firmly cemented itself as a pivotal entity in the skills development landscape.

While many accomplishments have been made over the life of the organisation, it is still severely hampered in its growth and development due to several monumental challenges engendered by policies and implementation of policies, which affect the overall institution.

Among these, the greatest is inadequate funding.

The QCTO must apply annually for the SETA Levy Grant funding. This does not support and facilitate long-term planning and has had a negative effect on the sustainably and anticipated financial flows. Due to the ever expanding QCTO mandate, the inadequate funding base is becoming glaringly apparent and severely hinders the organisation's ability to fulfil its full legislative mandate. In view of these financial shortcomings, the QCTO has great difficulty in funding the required Human, Physical and Technological Resources, that would allow it to operate effectively and efficiently in a changing world of work. The SETA Grant Levy and the Fiscus allocations needs be increased to ensure adequate funding in support of the QCTO's expanded mandate. We hope that the review process will bring a favourable outcome, resulting in QCTO receiving an increase from 0,5% to 1% from the SETA Levy Grants.

Finally, attention must be drawn to a critical environmental factor that continues to impede the achievement of the National Development Plan, namely the unavailability of sufficient workplaces to complete occupational qualifications. The slow and low uptake of occupational qualifications, will further negatively affect the achievement of NDP targets.

2.2.2 Strengths

All the necessary and relevant governance structures are in place and function well. The QCTO also has well-established systems and policies. It has obtained a clean audit for seven consecutive years. The QCTO's legislative mandate is clear and there are a number of key partners that support its implementation.

The organisation has systems in place that position it well in terms of its linkages with TVET and CET colleges, NGOs, NPOs, and bodies with similar mandates. These include a National Occupational Quality Assurance system with clear standards for monitoring and evaluation.

The QCTO has a Master Systems Plan (MSP) in place. The review of the MSP and the development of a fully functional MIS (incorporating automation) will enhance the effectiveness and efficiency of its operations.

2.2.3 Weaknesses

Knowledge management and the loss of institutional memory is an emerging weakness and needs urgent attention through capacity building and the recruitment of individuals with the right skills mix and expertise to the organisation. Attracting and retaining quality staff remain ongoing challenges, given that the QCTO is unable to offer competitive remuneration packages and benefits commensurate with that of Industry due to its funding model.

Inadequate skills, knowledge and competence in many domains are ongoing constraints experienced by the organisation. This will require urgent and intensive training intervention (upskilling and reskilling) response so as to meet the QCTO's strategic imperative of creating a learning organisation.

The slow implementation of succession planning, training interventions and the lack of a strategy and plan to develop the organisation into a learning organisation in the midst of digitalisation and automation needs urgent attention.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The publication of the *Ministerial Determination of the Sub-Frameworks that Comprise the National NQF*, on 24 December 2020 paved the way for the gazetting of the revised *Occupational Qualifications Sub-Framework (OQSF) Policy (2021)*, on 29 October 2021.

2.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

In respect of its revised Strategic Plan towards accomplishing its mandate over the five-year period, the work of the QCTO is guided by the following strategic outcomes:

1. A single, national, quality-assured OQSF that promotes synergy, simplification and efficiency;
2. QCTO to ensure that development and quality assurance of occupational qualifications, part qualifications and skills programmes that are responsive to labour market and developmental state initiatives; and
3. Making the QCTO a responsive learning organisation.

The Medium-Term Strategic Framework (MTSF 2019 - 2024) is both a five-year implementation plan and an integrated monitoring framework. The plan focuses on the seven priorities and related interventions of the sixth administration of government. The QCTO has a significant role to play in terms of Education and Skills, as noted in Priority 3 (Education, Skills and Health).

The achievements around Outcome 1 thus far are borne out of the achievements in the number of occupational qualifications, Part Qualifications and Skills Programmes developed by the QCTO, the number of historically registered qualifications replaced by occupational qualifications and part qualifications or deactivated due to being inactive as well as the extent of the quality assurance of these qualifications which includes the assessments conducted and certification issued to competent learners. The Skills Programmes are gaining traction as a number of SDPs and CET Colleges have started to utilise these, especially for the sectors that require immediate and short training for addressing needs urgently required. The launch of the OQSF by the Council has placed the QCTO on a good footing, which promotes simplification and efficiency across the PSET sector.

One of the priority focus areas in the MTSF is on Early Childhood Development. Although this does not belong entirely within the domain of the QCTO, it has developed an ECD occupational qualification that has been registered by SAQA and is recognised by the Department of Basic Education. This, we believe, will go a long way towards ensuring that ECD practitioners receive quality training.

QCTO strategic Outcome 2 relates directly to the MTSF's focus on expanded access to PSET opportunities. QCTO has to ensure that the development and quality assurance of occupational qualifications, part qualifications and skills programmes are responsive to labour market and developmental state initiatives. This is also intricately linked to the country's ERRP Strategy. The QCTO has contributed to the expansion of access to PSET institutions by developing occupational qualifications, part qualifications and skills programmes that can be offered at TVET and CET colleges. There was a remarkable growth in the number of TVET and CET Colleges that utilise registered Occupational and Part qualifications. The QCTO continues to support initiatives such as the Centres of Specialisation (COS) that contribute directly to the development of over 30 000 artisans, as noted in the MTSF and NDP. The QCTO continues to ensure that there is no certificate backlog within the SETA sub-system. Regular meetings are held with Quality Partners to assess the certification process so that less or no backlog is experienced.

QCTO Strategic Outcome 3 reads that the QCTO is a responsive learning organisation that is broadly linked with Priority 1 of the MTSF, viz. a capable, ethical and developmental State. In order to fulfil its mandate, the QCTO has to be responsive to the environment and ensure the capacity to meet the identified needs.

2.4.1 The QCTO began to implement its Strategic Plan 2020/21 to 2024/25 as from 1 April 2020. Amendments were made to the Strategic Plan 2020/21 to 2024/25 for the 2022/23 financial year.

2.4.2 The major achievements of QCTO for the 2022/23 financial year are itemised below:

- Officially launched the Occupational Qualifications Sub-Framework (OQSF) Policy on 9 March 2023. The keynote address was delivered by the Deputy Minister of Higher Education, Science and Innovation, Mr. Buti Manamela, MP. The revised OQSF is being branded as a "Game Changer" as it ushers in a suite of Occupational Qualifications which will have parity of esteem with qualification in the Higher Education Sector. The implementation of Occupational Qualifications, Part qualifications and Skills programmes is a catalyst for change in Skills Development in the country.
- The Third Council of the QCTO approved its Vision 2027 strategy document on 10 March 2023. This Five (5)-year strategy document provides the blueprint for QCTOSETA Service Level agreements to ensure that the QCTO fulfils its Quality Assurance mandate as per the NQF Act.

- Hosted the Work-Based Learning and Development Practitioner Pilot Programme Round Table Discussion. This initiative will help facilitate WIL.
- The Department of Higher Education and Training funded the development and review of the Occupational Qualification Hair Dresser and six skills programmes for implementation in 2024 at public institutions. This project is of great significance as it will test the model of implementing Skills Programmes in TVET Colleges, which will result in the improvement in TVET delivery outcomes.
- Successfully completed the National Skills Fund (NSF) funded Accreditation Project, with over 200 sites visited.
- Developed and implemented the Coded Welding Skills Programme in collaboration with CHIETA (Chemical Industries Education and Training Authority), with some sections covered via simulation. This provides a model for the use of simulated work environments to address the shortage of workspace opportunities during training.
- Ongoing QCTO participation in the Inter-Departmental Coordinating Committee (IDCC) as well as the Barrier Task Team Committee that focuses on the implementation of digital skills as identified in the Department of Higher Education and Training (DHETs) Skills Strategy in support of the South African Economic Reconstruction and Recovery Plan.
- The QCTO conducted advocacy workshops at all 50 Technical and Vocational Education and Training (TVET) and nine Community Education and Training (CET) Colleges, which resulted in an increased uptake of Occupational Qualifications and skills programmes offered by TVET and CET Colleges [public Skills Development Providers (SDPs)].
- The QCTO, in collaboration with Engineering Council of South Africa (ECSA) and the DHET, commenced with the development of a Framework for the Recognition/Accreditation of TVET College Qualifications including Occupational Qualifications by ECSA.
- Developed and approved more than 100 Skills Programmes that can be offered by Skills Development Providers (SDPs) such as CETs, TVETs and other institutions.
- Recommended more than 500 Historically registered qualifications to SAQA for deactivation contributing to the simplification of the NQF.
- Over 1600 Skills Development Providers (SDPs) are accredited to offer Occupational Certificates indicating a shift towards Occupational Qualifications.
- Over 170 SDPs accredited to offer Skills Programmes. These skills programmes contribute to workplace opportunities as well as to further learning pathways.
- Over 2 400 certificates for Occupational Qualifications issued – indicative of an increase in the uptake of Occupational Qualifications.
- The QCTO has also commenced with certification of Skills Programmes in August 2022 and has issued 114 Skills Programme Certificates.
- Since taking over the function in November 2013, the QCTO has issued 175 871 trade certificates, with 21 568 issued in the last financial year.
- The QCTO is also printing all certificates now with a QR code that assists a certificate holder with real-time verification feedback by scanning the code from the certificate.
- Deployed Data Loss Prevention and Security Information and Event Management systems as per the approved QCTO Security Architecture.
- Full achievement of the Year 2 – 40% implementation of the approved capacity building strategy.
- Full achievement of the Year 1 – 40% implementation of the approved change management strategy.
- QCTO expanded its use of Social Media Platforms by including a Twitter media account.
- 100% achievement against the approved 40% Implementation Plan (Year 2) of the QCTO's Marketing and Communications Strategy.

The QCTO made progress in terms of its outcomes, as outlined below:

Outcome 1:

A single national quality assured Occupational Qualifications Sub-Framework that promotes synergy, simplification and effectiveness.

INDICATORS	BASELINE	2024/25 TARGETS	PROGRESS
1.1 Quality assurance functions performed by the QCTO for qualifications and part qualifications on the QQSF evaluated and reported on	QCTO currently performs all QA functions (accreditation, quality assurance of provisioning, quality assurance of assessment and certification) for newly registered occupational qualifications and provides an Annual Report of such activities.	An evaluation report on the quality assurance functions performed by the QCTO for qualifications and part qualifications on the QQSF over 5 years.	A service provider has been appointed for data gathering. Baseline report on QA functions completed in 2021/22 and published.
1.2 Level of Articulation between the QQSF, GENFETQA and HEQSF.	No baseline established as yet.	An evaluation report on the extent of articulation of qualifications on the QQSF with qualifications on the other two Sub-frameworks (GENFETQA and HEQSF).	No service provider was found during first round of advertisement – project being converted to a tender. The tender committee has been constituted
1.3 Uptake of occupational qualifications.	11% (32 out of 300)	60%	Data gathering ongoing as this Outcome Indicator has been subsumed into a revised indicator for the 2022/2023 APP and which has an Annual target. (2022/23 – 38% (268 Occupational Qualifications active out of 704 Registered Occupational Qualifications.
1.4 Level of Industry satisfaction with the QQSF	No baseline established as yet	Evaluation report on the extent of industry satisfaction with the QQSF.	Service provider contracted and research work underway
1.5 Number of comparable Qualifications Frameworks against which the QQSF is benchmarked	No baseline established as yet	5	Completed 2022/23

Outcome 2:

QCTO to ensure that development and quality assurance of occupational qualifications, part qualifications and skills programmes are responsive to labour market and developmental state initiatives.

INDICATOR	BASELINE	2024/25 TARGETS	PROGRESS
2.1 Percentage of occupational qualifications, part qualifications and skills programmes developed as identified in the DHET Economic Reconstruction and Recovery Skills Strategy.	No baseline established as yet.	80% Percent of qualifications developed as identified in the DHET Economic Reconstruction and Recovery Skills Strategy.	For 2022/23: Qualifications registered by SAQA - 37% responded to ERRSS. Submitted to SAQA for registration - 1% responded to ERRSS. In process - 3% are responding to ERRSS. Applications received - 7% are responding to ERRSS.
2.2 Number of occupational qualifications, part qualifications and skills programmes in high demand offered by TVET Colleges.	14 Occupational trade qualifications.	As per targets in the approved DHET Revised Strategic Plan and ERRSS.	17 Occupational trade qualifications on high demand are offered at TVET colleges.
2.3 Number of occupational qualifications, part qualifications and skills programmes in high demand offered by Universities.	No baseline established as yet.	As per agreed targets in the approved DHET Revised Strategic Plan and ERRSS.	No occupational qualifications, part qualifications and skills programmes in high demand are offered by Universities.

INDICATOR	BASELINE	2024/25 TARGETS	PROGRESS
2.4 Number of occupational qualifications, part qualifications and skills programmes in high demand offered by CET Colleges.	No baseline established as yet	As per agreed targets in the approved DHET Revised Strategic Plan and ERRSS.	Three occupational skills programmes in high demand are offered by CET Colleges
2.5 Number of occupational qualifications, part qualifications and skills programmes in high demand offered by Private Skills Development Providers	No baseline established as yet.	As per ERRSS	55 Occupational Qualifications and part qualifications programmes in high demand are offered by Private Skills Development Providers. 5 Skills Programmes in high demand are offered by Private Skills Development Providers
2.6 Number of TVET Colleges offering occupational qualifications, part qualifications and skills programmes in high demand	No baseline established as yet	As per agreed targets in the approved DHET Revised Strategic Plan and ERRSS	42 TVET College Campuses accredited for 227 Occupational Qualifications (not all with learner enrolments). 12 TVET College Campuses accredited for 51 Skills Programmes (not all with learner enrolments)
2.7 Number of CET Colleges offering occupational qualifications, part qualifications and skills programmes in high demand	No baseline established as yet.	As per agreed targets in the approved DHET Revised Strategic Plan and ERRSS.	12 CET College Sites accredited for 21 Skills Programmes (not all with learner enrolments).
2.8 Number of Universities offering occupational qualifications, part qualifications and skills programmes in high demand	No baseline established as yet	As per agreed targets in the approved DHET Revised Strategic Plan and ERRSS	No Universities offering occupational qualifications, part qualifications and skills programmes in high demand.
2.9 Number of Private Skills Development Providers offering occupational qualifications, part qualifications and skills programmes in high demand	No baseline established as yet	As per agreed targets in the approved DHET Revised Strategic Plan and ERRSSSS	55 Occupational Qualifications and Part Qualifications and 5 Skills Programmes in high demand are offered by Private Skills Development Providers

Please note that Outcome 2 has been revised in the Revised 2020/21-2024/25 Strategic Plan to ensure that progress can be measured against a valid instrument. Without losing its focus on TVET and CET Colleges, the revised outcome will use the Economic Reconstruction and Recovery Skills Strategy as the instrument to measure and report on progress.

Outcome 3:
QCTO is a responsive learning organisation

INDICATORS	BASELINE	2024/25 TARGETS	PROGRESS
3.1 The relevance and responsiveness of the QCTO and the OQSF evaluated.	No baseline established as yet.	An evaluation report that measures sectoral perceptions of the relevance and responsiveness of the QCTO and the OQSF.	Service provider contracted and research work underway QCTO responsiveness and Industry Satisfaction with the OQSF.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The QCTO hereby reports against its Annual Performance Plan 2022/23 as approved by the Minister on 30 March 2022.

3.1 PROGRAMME 1: ADMINISTRATION

Programme Purpose:

To enable QCTO performance through strategic leadership and reliable delivery of management support services that will ensure a responsive and learning organisation.

The Programme contributes towards the following institutional Outcome 3: QCTO is a responsive learning organisation.

It provides for the development of the IT infrastructure as well as the human resource capabilities required by the organisation. Moreover, the mandate of the QCTO as per the National Qualifications Framework Act includes informing the public about its sub-framework, and it was through the achievement of the Marketing and Communications Plan that this outcome could be realised.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 1: Administration in the QCTO performed as follows:

Achievements include but are not limited to:

- Deployment of Data Loss Prevention and Security Information and Event Management systems as per the approved QCTO Security Architecture;
- Fully functional Registry, an approved file plan; registry procedure manual and records management policy;
- 100% uptime of the Digital Records Management System, the enterprise Content Management (ECM) aligned to the QCTO's approved File Plan, which enables quick and easy access of records/ information;
- Enablement tools and systems for the QCTO to operate virtually;
- 100% achievement against the approved 40% Implementation Plan (Year 2) of the QCTO's Marketing and Communications Strategy;
- Full achievement of the Year 2 – 40% implementation of the approved capacity building strategy;
- Full achievement of the Year 1 – 40% implementation of the approved change management strategy;
- Additional strides were made in the effective use of social media and mainstream media (public and community broadcasters) to close the communication gap between the QCTO and its stakeholders by including Twitter media account; and
- OHS structures and committee in place.



These achievements provide the basis for and contribute to the QCTO's Strategic Outcome 3: QCTO is a responsive Learning Organisation.

PROGRAMME 1: ADMINISTRATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATION
QCTO is a responsive learning organisation.	1.1 A capacity building strategy is developed and implemented.	1.1.1 % Implementation of the Capacity building strategy	New indicator Capacity building strategy approved by MANCOM Not achieved	New indicator Achieved 40% implementation of the capacity building strategy (Year 1).	40% of the capacity building strategy implemented (Year 2)	Achieved	N/A	N/A
	1.2 MSP is developed and implemented.	1.2.1 % implementation of the MSP.	New indicator MSP approved by Council. Not achieved	MSP Annual Plan deliverables 100% implemented Not achieved. 69% of the Annual Plan deliverables were implemented.	MSP Annual Plan deliverables 100% implemented .	Not achieved 72% MSP Annual Plan deliverables implemented.	28%	Five (05) deliverables out of eighteen (18) of incomplete deliverables were due to unexpected internal systemic delays.
	1.3 A marketing and communications strategy is developed and implemented.	1.3.1 % implementation of the Marketing and Communication strategy.	New indicator Achieved Marketing and communications strategy is approved by Council.	Achieved 40% of the the marketing and communications strategy implemented (Year 1)	40% of the Marketing and Communications strategy implemented (Year 2)	Achieved	N/A	N/A
	1.4 A change management strategy is developed and implemented.	1.4.1 % implementation of the Change management strategy	Change management strategy approved by MANCOM Not achieved	Achieved Change Management is strategy approved by Council.	40% of the Change management strategy implemented (Year 1)	Achieved	N/A	N/A

Strategy to overcome areas of under performance

By year end, the MSP annual ICT planned deliverables were not fully achieved, this was attributed to internal systemic delays such as the need to re-advertise two tenders due to non-responsive bids. A third tender was cancelled due to a change in business needs. These five (05) uncompleted projects will be prioritised in the next financial year 2023/24.

Linking performance with budgets

Hereunder is an analysis of the 2022/23 budget for Programme 1:

PROGRAMME 1: ADMINISTRATION

PROGRAMME / ACTIVITY / OBJECTIVE	2021/22			2022/23		
	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	22 631	27 755	(5 124)	29 141	28 832	309
Goods and services	28 012	33 144	(5 132)	33 560	38 548	(4 988)
Capital expenditure	10 760	3 282	7 478	4000	2 439	1 561
Total	61 403	64 181	(2 778)	66 701	69 819	(3 118)

3.2 PROGRAMME 2: OCCUPATIONAL QUALIFICATIONS MANAGEMENT, ASSESSMENT AND CERTIFICATION

Programme purpose

To ensure that occupational qualifications, part-qualifications and skills programmes on the OQSF are developed and registered on the NQF; issue certificates to qualifying learners; verify the authenticity of issued certificates and maintain stakeholder relationships.

Programme 2 contributes towards the achievement of Outcome 1: A single national quality assured Occupational Qualifications Sub-framework that promotes synergy, simplification and effectiveness.

The requests for the development of new occupational qualifications and part qualifications decreased in comparison to 2021/22 financial year, however, there was an increase in realignment of historically registered

qualifications as well as the review of currently registered occupational qualifications. The review process is aimed at introducing the new qualifications nomenclature as per the revised OQSF. There is an overall total of 704 occupational qualifications that are registered on the OQSF.

The output indicator relating to the deregistration of historically registered qualifications has been achieved. This indicates that the full phase out of historically registered qualifications is on track. Consultative sessions with SETAs have confirmed readiness for full phase out with a few areas that require urgent attention. A total of 221 historically registered qualifications were recommended to SAQA for deactivation.

The approval of skills programme has increased. More skills programmes are expected to be developed as the unit standards reach their registration end date of 30 June 2023 with teach out period that applies. There is an overall total of 226 skills programmes that have been approved by the QCTO.

The occupational qualifications and skills programmes developed have been prioritised as per the ERRPS. These have been developed in consultation with the relevant Industry partners through the SETAs.

The introduction of national skills programmes has been welcomed by the sector: CET colleges, CLCs, TVETs and other institutions. The Department of Public Works has also been accredited to offer skills that are on the QCTO database. Discussions are underway to enter MoAs with institution like Catholic Institute of Education (CIE) and other NGOs so that they will offer skills programmes on the QCTO database.

The assessment unit has processed 111 out of 112 approval of results within the turnaround time for Occupational qualifications for 2022/23 financial year, this includes 46 FISAs for historically registered qualifications, and 7 FISAs for Skills Programmes. All 37 AQPs have consistently reported quarterly to the QCTO, and a total of 148 quarterly evaluation reports have been sent to AQPs to assist with improvements and further planning. Where large groups of Not Yet Competent (NYC) learners who have been identified in EISAs, for example in Child and Youth Care Worker, Social Auxiliary Worker, Organisational Risk Practitioner, and Freight Handler, the unit has launched investigations into the reasons thereof by monitoring the SDPs that took part in these EISAs. The general conclusion for this poor performance is poor quality of training; thus poor implementation of the required components of an Occupational Qualification. The EISAs have also accommodated RPL learners that have come through this process, largely with regards to the trade occupational qualifications. 120 learners that

were certified during the 2023/24 financial year went through the RPL process.

The certification unit continued to achieve its set targets, which has an impact on the output indicators as well as the impact of the strategic plan. For the year under review, the QCTO issued 2 451 occupational certificates, which reflects an uptake in occupational qualifications. The QCTO has also commenced with certification of Skills Programmes in August 2022 and has issued 114 Skills Programme Certificates. Since taking over the function in November 2013, the QCTO has issued 175 871 trade certificates, with 21 568 issued in the last financial year. The QCTO is also printing all certificates now with a QR code that assists a certificate holder with real-time verification feedback by scanning the code from the certificate. The cumulative number of occupational certificates issued to date is in excess of 5 928.

The digitisation project has been extended to be completed in March 2024. The data capturing element (double capturing approach) of the project has not been completed as expected due to a number of challenges and the complexity of capturing data where information is mainly recorded in Afrikaans, trade information not written in full, faded information on documents and damaged and fragile documents likely due to the age of the documents. The project is funded by the National Skills Fund and all reports are submitted as required on progress. The next phase after data capturing is focused on the migration of the data to the QCTO certification system and transfer of records to the National Learner Records Database.



Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The table below provides a full outline on the achievements of the output indicators as per the final tabled APP to Parliament.

PROGRAMME 2: OCCUPATIONAL QUALIFICATIONS MANAGEMENT AND CERTIFICATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
A single national quality assured Occupational Qualifications Sub-framework that promotes synergy, simplification and effectiveness.	2.1. Occupational qualifications and part qualifications recommended for registration on the OQSF	2.1.1 Number of prioritised occupational qualifications (full/ part) recommended to SAQA for registration on the OQSF.	Achieved 71 prioritised occupational qualifications (54 full and 17 part qualifications) recommended to SAQA for registration on the OQS.	Achieved 72 Prioritised occupational qualifications (full/ part) recommended to SAQA for registration on the OQSF.	50	Achieved 54	There was an additional 4 qualifications recommended to SAQA for registration than earlier planned.	There was a slightly higher number of prioritised occupational qualifications recommended to SAQA for registration on the OQSF.
		2.1.2 Number of historically registered qualifications recommended to SAQA for deactivation on the OQSF.	New indicator Achieved 230 Historically registered Qualifications recommended to SAQA for deactivation.	Achieved 472 Historically registered qualifications were recommended to SAQA for deactivation on the OQSF.	200	Achieved 221	There were an additional 21 historically registered qualifications recommend to SAQA for deactivation than earlier planned.	There was a slightly higher number of historically registered qualifications that were recommended to SAQA for deactivation than earlier planned.
		2.1.3 Number of skills programmes approved by QCTO Council.	New indicator. Not achieved 3 skills programmes approved by QCTO Council.	Not achieved 81 skills programmes were approved by Council.	100	Achieved 118	There was an additional 18 skills programmes that were approved by Council than earlier planned.	There was a slightly higher number of skills programmes that were received and processed for approval by Council than earlier planned.

PROGRAMME 2: OCCUPATIONAL QUALIFICATIONS MANAGEMENT AND CERTIFICATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
	2.2 A national External assessment is implemented for all qualifications registered on the OQSF.	2.2.1 % of assessments for occupational qualifications and part qualifications quality assured against QCTO standards within 21 working days' turnaround time.	Revised indicator. Achieved 100% 21 EISAs were quality assured against 21 for occupational qualifications.	Achieved 97.5% 39 of 40 EISAs were quality assured against QCTO standards within 21 working days turnaround time.	90%	Achieved 99% 111 out of 112 EISAs were quality assured against QCTO standards within 21 working days' turnaround time	There was an additional 9% achievement	The deviation is as a result of QCTO's aim to ensure that all EISAs submitted are quality assured within 21 days.
		2.2.2 % of assessments for historically registered qualifications quality assured against QCTO standards (excluding historical skills programmes and NATED) within 21 working days' turnaround time.	Revised indicator. Achieved 100% 32 out of 32 assessments for historically registered qualifications were quality assured.	Achieved 100% 64 out of 64 assessments for historically registered qualifications were quality assured.	90%	Achieved 100% 46 out of 46 assessments for historically registered qualifications were quality assured	There was a 10 % additional achievement	The deviation was as a result of QCTO's effort to ensure that all assessments are quality assured within 21 days and which can also be attributed to reduced historical qualifications assessments.
		2.2.3 Annual report on the implementation of the quality assurance plan for NATED Report 190/191 programmes	N/A	N/A	Report on the Implementation of Approved Council Plan	Achieved Annual Report on the Implementation of the QA Plan for NATED Report 109/191 programmes	N/A	N/A
		2.2.4 % of assessments for QCTO developed skills programmes quality assured against QCTO standards within 21 working days.	New indicator. Not achieved 0%. 0 out of 0 assessments for QCTO developed skills programmes quality assured.	Not achieved 0%. 0 out of 0 assessments for QCTO developed skills programmes quality assured.	90%	Achieved 100% 7 out of 7 assessments for QCTO developed Skills Programmes quality assured	There was a 10 % additional achievement	The deviation was as a result of all assessments quality assured

PROGRAMME 2: OCCUPATIONAL QUALIFICATIONS MANAGEMENT AND CERTIFICATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
		2.2.5 % of assessment quality partners (or assessment bodies) quality assured against QCTO compliance standards.	Revised indicator. Achieved 100%. 152 out of 152 AQP reports were quality assured.	Achieved 100% 148 out of 148 AQPs reports were quality assured.	90%	Achieved 100% 37 out of 37 AQPs were quality assured against QCTO compliance standards 148 (4 times 37) out of 148 (4 times 37) AQPs reports were quality assured.	There was a 10 % additional achievement	The deviation was as a result of all AQPs quality assured.
	2.3 A certification system is maintained.	2.3.1 % of certificates issued within the turnaround time (21 working days).	Achieved 100%. 12 934 out of 12 934 certificates (legacy trades) applications approved issued within the 21 working day turnaround time. 556 out 556 Occupational certificate applications approved issued within the 21 working day turnaround time.	Achieved 100%. 16 338 out of 16 338 certificates (Legacy trades) applications approved issued within the 21 working day turnaround time 1395 out 1395 Occupational certificate applications approved issued within the 21 working day turnaround time.	95%	Achieved 100% 21 568 out of 21 568 certificates (Legacy trades) applications approved issued within the 21 working day turnaround time 2 451 out of 2 451 Occupational certificates and 114 out of 114 Skills Programme applications approved issued within the 21 working day turnaround time.	There was a 5% additional achievement.	The deviation was due to business continuity and effective monitoring of processes; all requested certificates were processed within the turnaround time.

PROGRAMME 2: OCCUPATIONAL QUALIFICATIONS MANAGEMENT AND CERTIFICATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
		2.3.2 % of verification of authenticity of certificates requests received and verified within turnaround time (5 working days).	Achieved 100% 5 108 out of 5 108 requests verified within turnaround time of 5 working days.	Achieved 100%. 10 124 out of 10 124 requests verified within turnaround time of 5 working days.	95%	Achieved 100%. 13 757 out of 13 757 requests verified within turnaround time of 5 working days.	There was a 5 % additional achievement.	The deviation was due to business continuity and effective monitoring of processes; all requested certificates were processed within the turnaround time.

The achievement of the above targets responds to the Output and Output Indicators of Programme 2. In the next year, we are hoping to see a notable impact as new imperatives have been put in place.

Strategy to Overcome Areas of Under Performance

The following strategy will be put in place to address areas of underperformance:

- Develop and implement a plan to increase the Deregistration and/or reregistration of historically registered qualifications;
- Developing and reviewing occupational qualifications listed in the ERRSS;
- Continue to automate the skills programme application process;
- Continue with advocacy workshops on skills programmes. These workshops will assist in communicating to stakeholders the skills programmes requirements and provide an opportunity to listen to and address stakeholder needs;
- Maintain achieving the certification targets, which include the digitisation project
- Monitor the certificates issued by SETAs/ QPs; and
- Ensure that EISAs conducted are monitored from EISA readiness up to EISA resulting.

Linking performance with budgets

Below is an analysis of the 2022/23 budget for Programme 2:

PROGRAMME 2: OCCUPATIONAL QUALIFICATIONS MANAGEMENT, ASSESSMENT AND CERTIFICATION

PROGRAMME / ACTIVITY / OBJECTIVE	2021/22			2022/23		
	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	21 382	16 912	4 470	18 027	18 240	(213)
Goods and services	4 550	4 033	517	6 778	7 749	(971)
Total	25 932	20 945	4 987	24 805	25 989	(1 184)

3.3 PROGRAMME 3: OCCUPATIONAL QUALIFICATIONS QUALITY ASSURANCE

Programme purpose

To establish and maintain quality standards for accreditation and quality assurance within the OQSF.

The Programme contributes towards the following Institutional Outcome 1: A single national quality assured Occupational Qualifications Sub-framework that promotes synergy, simplification and effectiveness, and Outcome 2: QCTO to ensure that development and quality assurance of occupational qualifications, part qualifications and skills programmes are responsive to labour market and developmental state initiatives.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements:

Programme 3: Occupational Qualifications Quality Assurance in the QCTO performed as follows.

Programme 3 can be broken down into three main strategic objectives with the first being to establish and maintain standards for a national quality assurance system for all qualifications registered on the OQSF. This objective was achieved through indicators 3.2.1, 3.2.2, 3.2.3(a), 3.2.3(b), 3.2.3(c), 3.2.4 and 3.2.5. Only indicator 3.2.4 under this objective was not achieved.

The second objective of establishing and maintaining standards for a national accreditation system for all qualifications registered on the OQSF was fully achieved through indicators 3.1.1, 3.1.2, 3.1.3 and 3.1.4.

The third objective of measuring the uptake of occupational qualifications and skills programmes by TVET Colleges, CET Colleges, Universities and Private Skills Development Providers was fully achieved through indicator 3.3.1.

Significant achievement of targets for Programme 3 is Output Indicator 3.1.3, which indicates that the QCTO must implement a quality assurance plan for NATED report 190/191 programmes. This plan has been approved by Council in March 2021, and will ensure that N4, N5 and N6 are quality assured by using a similar process as that for occupational part qualifications. This will ensure that the necessary practicals, simulations or work experience learning are incorporated to satisfy industry requirements. TVET college graduates will benefit from this intervention as industry value the NATED programmes, albeit reaching their end dates. The plan will ensure parity of esteem between the occupational qualifications and the NATED diplomas where a learner can complete the NATED programmes and gain access to the external integrative summative assessment of the applicable occupational qualification and, if successful, obtain certification for the occupational qualification. Challenges encountered were limited support from the TVET branch as well as a lack of uptake of the occupational qualifications, although there seems to be an improvement in this area.

Further regular engagement with the Skills, TVET, CET and Universities Branches within the DHET would add momentum to the output of establishing, implementing and maintaining a national quality assurance system for all qualifications registered on the OQSF and by implication of the NQF.

Another significant achievement for Programme 3 centres on 3.2.4, which measures accredited SDPs with skills programmes implemented, as quality assured against QCTO standards. This target was achieved, and the appetite for occupational skills programmes by industry has drastically increased, as these are designed such that they will directly contribute to the ERRP by upskilling and reskilling of workers, women, youth and people with disabilities amongst others. These skills programmes are brief in nature and are occupationally directed such that the certified person will be able to immediately become self-sustainable or employed once he or she has been certified as competent.



The table below provides a full outline of the achievements of the output indicators as per the final tabled APP to Parliament.

PROGRAMME 3: OCCUPATIONAL QUALIFICATIONS QUALITY ASSURANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
3. A single national quality assured Occupational Qualifications Sub-framework that promotes synergy, simplification & effectiveness	3.1 A national Accreditation system is implemented for all qualifications registered on the QOSF	3.1.1 % of skills development providers accreditation applications for Occupational qualifications and part qualifications processed within the turnaround time (90 working days).	Not achieved 69%. 321 accreditation applications from a total of 463 received were processed within the turnaround time of 90 working days.	Achieved: 92%. 911 out of 987 SDP accreditation applications processed within the turnaround time of 90 working days.	90%	Achieved: 95% 1622 out of 1711 SDP accreditation applications were processed within the turnaround time of 90 working days.	There was a 5% additional achievement	The deviation was due to improved efficiencies by implementing online applications.
		3.1.2 % of Skills Development Providers accreditation applications for Skills Programmes processed within the turnaround time (90 working days)	New indicator Not achieved 0%. 0 out of a total of 7 applications for skills programmes were processed within the turnaround time of 90 working days.	Revised Indicator. 80% Achieved: 100%. 90 out of 90 SDP accreditation applications for Council-approved skills programmes processed within the turnaround time of 90 working days	80%	Achieved: 100% 179 out of 179 accreditation applications for Skills Programmes were processed within the turnaround time of 90 working days.	There was a 20 % additional achievement.	The deviation was due to improved efficiencies by implementing online applications.
		3.1.3 % of skills development Providers accreditation applications for historically registered Qualifications (trades, non-trades, NATED Report 190/191, skills programmes) processed within the turnaround time (90 working days).	Revised indicator Achieved 93%. 692 recommendations for historically registered qualifications and Nated Programme applications for 190/191 from a total of 741 were processed within the turnaround time of 90 working days.	Achieved: 96%. 934 SDP accreditation applications for historically registered qualifications out of 972 applications processed within the turnaround time of 90 working days.	80%	Achieved: 100% 1178 SDP accreditation applications for historically registered qualifications out of 1178 applications processed within the turnaround time of 90 working days	There was a 20 % additional achievement.	The deviation was due to improved efficiencies by implementing online applications.

PROGRAMME 3: OCCUPATIONAL QUALIFICATIONS QUALITY ASSURANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
		3.1.4 % of assessment centre accreditation applications processed (accreditation granted or declined) within the turnaround time (30 working days).	Achieved 100%. 78 out of a total of 78 accreditation Centre applications were processed within the turnaround time of 30 working days.	Achieved 100%. 254 out of a total of 254 accreditation centre applications were processed within the turnaround time of 30 working days.	90%	Achieved: 99% 371 Assessment Centre applications out of 373 of received processed within the turnaround time of 30 working days.	There was a 9 % additional achievement	The deviation was due to improved efficiencies by implementing online applications.
	3.2 A national quality assurance system is implemented for all qualifications registered on the QQSF.	3.2.1 % of accredited SDPs with implemented occupational qualifications and part qualifications quality assured according to QCTO standards.	Not achieved 65%. 131 accredited SDPs with implemented occupational qualifications have been quality assured. out of 202	Not achieved 70% 123 out of 176 accredited skills development providers with implemented occupational qualifications with learner uptake were quality assured.	80%	Achieved: 85% 204 out of 241 accredited Skills Development Providers with implemented occupational qualifications with learner uptake quality assured according to QCTO standards.	There was a 5% additional achievement	The deviation was due to improved efficiencies by implementing online applications.
		3.2.2 % of accredited SDPs with implemented historically registered qualifications (excluding NATED Report 190/191 Programmes) quality assured against QCTO compliance standards.	Achieved 54% 438 Accredited SDPs with implemented historically registered qualifications have been quality assured out of 815.	Achieved 55% 324 out of 593 accredited skills development providers with implemented historically registered qualifications with learner uptake were quality assured.	75%	Achieved: 77% 318 out of 414 accredited Skills Development Providers with implemented historically registered qualifications with learner uptake were quality assured.	There was a 2 % additional achievement	The deviation was due to improved efficiencies by implementing online applications

PROGRAMME 3: OCCUPATIONAL QUALIFICATIONS QUALITY ASSURANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
		3.2.3 (a) % of accredited SDPs with implemented NATED report 190/191 (e.g. N4-N6) programmes quality assured against QCTO compliance standards.	New indicator Not achieved 18%. 146 accredited SDPs with implemented NATED Report 190/191 (e.g. N4-N6) programmes have been quality assured out of 828	Achieved 32% 100 out of 311 accredited skills development providers with implemented NATED Report 190/191 (e.g. N4-N6) programmes were quality assured.	75%	Achieved: 77% 106 out of 138 accredited skills development providers with implemented NATED Report 190/191 (e.g. N4-N6) programmes were quality assured.	There was a 2 % additional achievement.	The deviation was due to implementing a project-focused approach on NATED.
		3.2.3 (b) Number of NATED Report 190/191 (e.g. N4 – N6) instructional offering exams sessions conducted at accredited SDPs, quality assured against QCTO standards	N/A	N/A	120	Achieved 126 126 NATED exam sessions have been quality assured	There was a 6 additional achievement.	The deviation was due to implementing a project-focused approach to NATED
		3.2.3 (c) Number of NATED Report 190/191 instructional offering marking sessions quality assured against QCTO standards.	New indicator Achieved 2	Achieved 42 exam monitoring centres have been quality assured.	40	Achieved 40 exam monitoring centres have been quality assured.	N/A	N/A
		3.2.4 % of accredited SDPs with skills programmes implemented, quality assured against QCTO standards.	New indicator Not achieved 0%.	Not achieved. 0%	75%	Not achieved: 65% 11 out of 17 accredited SDPs with skills programmes implemented, quality assured against QCTO standards	There was a 10 % shortfall from the planned annual target.	The deviation was due to accredited SDPs for skills programmes not indicating their learner enrolment.

PROGRAMME 3: OCCUPATIONAL QUALIFICATIONS QUALITY ASSURANCE								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
		3.2.5 % of accredited assessment centres conducting EISAs (External Integrated Summative Assessments) quality assured against QCTO standards.	Achieved 100% 17 out of 17 Assessment Centres completed online submissions for EISAs.	Achieved 92% 44 out of 48 assessment centres conducting EISAs quality assured.	60%	Achieved: 76% 37 out of 49 Assessment Centres conducting EISAs were quality assured.	There was a 16 % additional achievement.	The deviation was due to a higher number of EISAs managed by assessment centres.
QCTO to ensure that development and quality assurance of occupational qualifications, part qualifications and skills programmes are responsive to labour market and developmental state initiatives.	3.3 Uptake of occupational qualifications and skills programmes by TVET Colleges, CET Colleges, Universities and Private Skills Development Providers	3.3.1 Report on occupational qualifications, part qualifications and skills programmes in high demand offered by TVET Colleges, CET Colleges, Universities and Private Skills Development Providers	N/A	N/A	New indicator As per approved ERRSS	Achieved Report submitted.	N/A	N/A

Strategy to overcome areas of underperformance

The following strategy will be put in place to address areas of under performance specifically for indicator 3.2.4:

- Accredited Skills Development Providers will be contacted every month to find out if they have learners enrolled.
- The QCTO has strengthened relationships and communication with the QPs and related stakeholders

to enable a meaningful and seamless transition to the new occupations.

- The QCTO-SETA forum is being resuscitated as a Quality Partner Forum, which will focus on OQSF policy implementation as well as ERRSS implementation.
- The QCTO has started to implement the necessary control processes to manage the upload of learner achievements to the NLRD.
- Upskilling of employees and process improvements has been prioritised to improve overall efficiency.

Linking performance with budgets

Hereunder is an analysis of the 2022/23 budget for Programme 3.

PROGRAMME 3: OCCUPATIONAL QUALIFICATIONS QUALITY ASSURANCE

PROGRAMME / ACTIVITY / OBJECTIVE	2021/22			2022/23		
	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	25 068	22 647	2 421	24 751	22 785	1 966
Goods and services	4 664	3 723	941	9 779	7 021	2 758
Total	29 732	26 370	3 362	34 530	29 806	4 724

3.4 PROGRAMME 4: RESEARCH ANALYSIS

Programme Purpose:

To establish and maintain QCTO Standards for quality assurance through research, monitoring, evaluation and analysis.

The Programme contributes towards the institutional Outcome 1: A single national quality assured Occupational Qualifications Sub-framework that promotes synergy, simplification and effectiveness.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 4: Research Analysis in the QCTO performed as follows:

Research Projects

Three research projects were undertaken in the 2022/23 financial year. The Research and Analysis (R&A) Unit completed the planned annual research projects and ensured they were quality assured and approved. Each project was planned and discussed in consultation with the Chief Executive Officer and was based on the immediate and strategic needs of the organization. For the 2022/23 financial year, the planned research projects were as follows:

- The Road to Success: The Skills Development Provider's Guide to Offering Occupational Qualifications

Many SDPs seeking to gain accreditation and offer Occupational Qualifications have for some time found it challenging to navigate the policy and other requirements published by the QCTO. This is no fault

of the policy, but rather a result of the fact that there are vastly varying levels of skills and experience at SDP level, as well as the fundamental fact that policy and procedures are by their very nature complex to navigate.

Many SDPs turn to consultants to run these processes for them, and while this practice is not problematic in theory, it presents a challenge for QCTO if SDPs that are accredited do not internally have the knowledge required to meet QCTO's requirements. Consultants are short-term by nature, and thus their expertise does not remain with any SDP once their task is complete.

The published guidebook provides a step-by-step instruction manual for SDPs on how to successfully run an Occupational Qualification. It is written in plain language, and provides links to all the requisite policies while not requiring significant expertise or analytical skills on the part of the SDP to understand QCTO's quality assurance requirements.

The guidebook has been published on the QCTO website and is being disseminated across various digital platforms.

- The QOSF Benchmarking Report

The QOSF is a sub-framework of the National Qualifications Framework, and as the Occupational/Vocational portion of the NQF, it is important to understand the international comparability of the sub-framework. This is important both to ensure that the QOSF is comparable against international best-practices, but also to ensure learner mobility internationally. The world of work is among the most rapidly changing environments to construct qualifications for, and as such, keeping up with

international trends is crucial to keep the sub-framework current and relevant both nationally and internationally.

The frameworks/sub-frameworks chosen as comparators for this project were as follows:

- The Australian Qualifications Framework (AQF),
- The Bangladeshi National Technical and Vocational Qualifications Framework (NTVQF),
- The Dutch Qualifications Framework (NLQF),
- The National Qualifications Framework (NQF) for Namibia, and
- The Scottish Credit and Qualifications Framework (CQF).

Although fairly nuanced, the overall findings of the report were that at a macro level all the frameworks were broadly comparable. When compared just as framework vs framework, the differences were interesting but not dramatic — and ultimately the process showed that the OQSF compares favourably against other such frameworks.

The report is published on the QCTO Website as part of the Annual Research Bulletin, and fulfils the requirements of one of the strategic projects required of the QCTO.

c. The Industry and OQSF Satisfaction Surveys

The QCTO is the custodian of the OQSF, and the qualifications thereon, and in general the Occupational qualifications are intended to provide learners with skills relevant for employment, and by extension to provide industry with a steady stream of qualified entrants into the labour market. It is thus imperative for the QCTO to investigate the level of Industry satisfaction with the OQSF and its related qualifications, as well as gain an understanding of the experience of stakeholders with the QCTO. This information is essential in order to meet the requirements of the QCTO Strategic Plan, but is also central to the operations of the QCTO and the OQSF.

The information gathered is both quantitative and qualitative, so that the QCTO comes to understand what views are extant among stakeholders, the extent of the views, and possible interventions that may be required to better meet stakeholder needs in terms of qualifications and organisational responsiveness.

This research consisted of two large-scale surveys, coupled with focused interviews of key stakeholders. The data will be analysed and

published in two separate reports as a separate project in the coming (2023/24) financial year the first focusing on satisfaction with the OQSF, and the second examining perceptions of the QCTO and its operations.

The reporting phase of the project is intended to begin in the coming (2023/24) financial year to coincide with the deadline of the QCTO strategic plan. This first phase of the research, which is now complete was for data gathering alone.

As a 'value add,' the Research unit also extended the scope of the project to provide an analytical report of the qualitative (interview) data in order to provide immediate actionable feedback to the QCTO.

Both the datasets and the analytical report are being used internally to better meet the needs of stakeholders in the PSET system.

These projects will be used to interrogate the fundamental models that underlie the fulfilment of the QCTO's mandate and provide a streamlined and targeted service to stakeholders in the OQSF.

Research Bulletin

The Research Bulletin is an annual publication of QCTO Research work that contains all research publications that are 'public facing'. In the 2022/23 financial year, two of the three research projects were public facing, but one has been published as a standalone handbook to aid providers in understanding how to successfully gain accreditation and run Occupational Qualifications (The Road to Success).

The second 'public facing' project was the Benchmarking report comparing the OQSF against five comparable international frameworks of vocational qualifications. The frameworks/sub-frameworks chosen as comparators for this project were as follows:

- The Australian Qualifications Framework (AQF),
- The Bangladeshi National Technical and Vocational Qualifications Framework (NTVQF),
- The Dutch Qualifications Framework (NLQF),
- The National Qualifications Framework (NQF) for Namibia, and
- The Scottish Credit and Qualifications Framework (CQF)

This report was included as the central piece of the annual Research Bulletin as the report provides valuable comparative information about the OQSF and comparable qualifications frameworks. It shows that

the OQSF is in line with international best practice, and also shows that there is space for significant variation in terms of programme design and delivery depending on national priorities and circumstances.

This information is useful both from an academic/ benchmarking point of view, but also provides

confidence to stakeholders that the QCTO continues to ensure that its operations are always at the forefront of innovation and in line with global best practice.

The table below provides a full outline on the achievements of the output indicators as per the final tabled APP to Parliament.

PROGRAMME 4: RESEARCH ANALYSIS								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/21	AUDITED ACTUAL PERFORMANCE 2021/22	PLANNED ANNUAL TARGET 2022/23	ACTUAL ACHIEVEMENT 2022/23	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2022/23	REASONS FOR DEVIATIONS
A single national quality assured Occupational Qualifications Sub-framework that promotes synergy, simplification & effectiveness.	4.1 Research on issues of importance to the development and implementation of the OQSF conducted or commissioned and published.	4.1.1 Number of research reports approved by the CEO.	New indicator. Achieved 3. Submission signed by CEO approving 3 final reports.	Achieved 3 Research Reports approved by the CEO.	3	Achieved: 100% 3 of 3 reports were completed and approved by the CEO	N/A	N/A
		4.1.2 Research Bulletin published online.	New indicator Achieved 1. Signed website publication form.	Achieved 1 Research bulletin published online.	1	Achieved: 100% 1 Research Bulletin published online	N/A	N/A

Strategy to Overcome Areas of UnderPerformance

- There are no direct areas of under-performance linked to Programme 4.
- The QCTO has implemented the necessary control processes to manage the SETAs and quality partners, as they are the major stakeholders.
- Quarterly meetings focusing on operations have been successfully instituted.

- Indicators will be managed using project management best practices.
- The NATED quality assurance plan has been approved and is being implemented.
- The specific focus is on managing stakeholder relationships.

Linking Performance with Budgets

Below is an analysis of the 2022/23 budget for Programme 4.

PROGRAMME 4: RESEARCH ANALYSIS

PROGRAMME / ACTIVITY / OBJECTIVE	2021/2022			2022/23		
	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER) / UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation	1 219	1 218	1	1 949	1 989	(40)
Goods and services	744	728	16	1 918	1 356	562
Total	1 963	1 946	17	3 867	3 345	522

4. REVENUE COLLECTION

SOURCES OF REVENUE	2021/2022			2022/2023		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTION	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	27 630	27 630	-	28 506	28 506	-
Approved Surplus	23 657	23 657	-	-	-	-
Finance Income	-	3 827	(3 827)	1 200	6 920	(5 720)
Other Income	-	10 749	(10 749)	3 400	6 062	(2 662)
SETA Grant	67 743	67 743	-	96 147	96 147	-
Total	119 030	133 606	(14 576)	129 253	139 881	(8 382)

Notes:

The over-collection was due to:

- Certification, verification and accreditation services that were introduced in prior years that were not budgeted for in the current financial year. These services have not yet been budgeted for as there is no guarantee of this income.
- Interest that was earned from excess funds saved in the ABSA account as the SETA Grant was received at the beginning of the year as well as interest earned from funds invested in the Corporation for Public Deposits at the Reserve Bank.



PART C: GOVERNANCE



1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, corporate governance regarding public entities is applied through the precepts of the PFMA and National Treasury notices.

Parliament, the Executive and the Accounting Authorities of the QCTO are responsible for corporate governance.

2. PORTFOLIO COMMITTEE ON HIGHER EDUCATION, SCIENCE AND INNOVATION

The QCTO made a presentation on its Revised Strategic Plan 2020/21 – 2024/25 and the Annual Performance Plan for 2022/23 to the PC: HEST on 20 April 2022 at a virtual briefing session. The QCTO was represented by the Acting Council Chairperson, Ms. Sibongile Antoni, the Chief Executive Officer (CEO), Mr. Vijayen Naidoo, Chief Financial Officer (CFO), Mr. Innocent Gumbochuma and the Director for Governance, Risk, Compliance and Secretariat (GRC&S), Ms. Adri Solomon. QCTO duly responded to questions posed by the Committee. The committee called for the speedy appointment of a Council Chairperson by the Minister.

The QCTO also made a presentation and attended a virtual briefing session held on 14 October 2022 and was duly represented by the Acting Council Chairperson, Ms Antoni, together with Mr Naidoo (CEO) and Mr Gumbochuma (CFO) who presented the QCTO's Annual Report 2021/22 to the Committee. The Annual Report was well received and QCTO noted the commendation by the Committee on the achievement of the organisation's sixth consecutive clean audit.

The QCTO noted the Committee's recommendations and observations as indicated in the Budgetary Review and Recommendation Report (BRRR) of the Portfolio Committee on Higher Education, Science and Innovation on the 2021/22 Annual Report of the Department of Higher Education and Training and Entities, dated 04 November 2022.

The QCTO timeously responded to all requests, questions, complaints and enquiries received from the Portfolio Committee during the reporting period.

3. EXECUTIVE AUTHORITY

The QCTO submitted the final 2021/22 Annual Report to the Minister of Higher Education, Science and Innovation via the DHET on 31 August 2022. The printed, final version was submitted for presentation to Parliament and tabled on 30 September 2022.

The QCTO has also submitted all four of its Quarterly Performance Reports for the 2022/23 financial year to the Minister via the Director-General: Higher Education and Training, as required by the Department. Submission dates were as follows:

- a. Quarter 1 Performance Report: 28 July 2022
- b. Quarter 2 Performance Report: 27 October 2022
- c. Quarter 3 Performance Report: 27 January 2023
- d. Quarter 4 Performance Report: 24 April 2023

The revised Strategic Plan 2020/21 to 2024/25 and the Annual Performance Plan for 2023/24 were approved by the Minister on 9 March 2023.

4. THE ACCOUNTING AUTHORITY

INTRODUCTION

The purpose of the QCTO is to establish, maintain and quality assure occupational standards and qualifications and learning in and for the work place as referred to in its mandate and legislative requirements. The QCTO is one of three Quality Councils (QCs) tasked with the role of standards setting and quality assurance.

ROLE OF THE COUNCIL

- It holds absolute responsibility for the performance of the QCTO;
- It retains full and effective control over the QCTO;
- It has to ensure that the QCTO complies with applicable laws, regulations and government policy;
- It has unrestricted access to information of the QCTO;
- It formulates, monitors, reviews corporate strategy and major plans of action, risk policy, annual budgets, strategic and annual performance plans;
- It ensures that the QCTO's performance objectives are achieved;
- It manages potential conflicts of interest;

- It develops a clear definition of levels of materiality;
- It ensures financial statements are prepared;
- It must appraise the performance of the Chairperson;
- It must ensure effective Council induction; and
- It must maintain integrity, responsibility and accountability.

COUNCIL CHARTER

The requirements of the QCTO's Constitution are provided for in the SDA. The third Constitution was approved by the Minister on 14 November 2018. The fourth reviewed version was submitted to the Department in December 2021 for consideration and approval is still awaited.

COMPOSITION OF THE COUNCIL

The third Council was appointed by the Minister of Higher Education, Science and Innovation on 29 August 2020 for the term 1 April 2020 to 31 March 2025 under the Chairperson, Mr Samuel Zungu. Mr Zungu became the Deputy Director-General of TVET on 1 May 2021 and resigned as Council Chair. Ms Sibongile Antoni became the Acting Chairperson of Council until 10 November 2022 when Mr Themba Dlamini was appointed as the Council Chairperson.

The third Council held four ordinary meetings and two strategic workshops during the financial year under review.



Council - from left to right: Mr Z Khuzwayo, Mr S Mlotshwa, Mr V Naidoo (CEO), Ms T Phele, Ms S Antoni (Dep. Chairperson), Mr Z Mfecane, Dr M Rakometsi, Mr M Ally, Mr J Soobramoney. Absent from the picture: Mr T Dlamini (Chairperson), Ms F Motjoadi, Ms T Van Wyk, Ms N Starr and Dr W Green.

NAME	DESIGNATION (IN TERMS OF THE BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES IN QCTO (E.G.: AUDIT COMMITTEE)	NO. OF MEETINGS (4 ORDINARY COUNCIL MEETINGS HELD)
Mr Themba Dlamini	Chairperson	10 November 2022	N/A	MA-Development Economics	Economics, Governance, Project Management Strategy and Planning Skills Development Regulatory (Telecoms) Public Sector	National Planning Commission (NPC) Housing Company Tshwane National Library of South Africa (NLSA) National Heritage Council (NHC) North West Development Corporation (NWDC) Metropolitan Trading Company(MTC) Black Management Forum Investment (BMFI)	Executive Committee	1 apology

NAME	DESIGNATION (IN TERMS OF THE BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES IN QCTO (E.G.: AUDIT COMMITTEE)	NO. OF MEETINGS (4 ORDINARY COUNCIL MEETINGS HELD)
Ms Sibongile Antoni	Acting Chairperson until 9 November 2022 / Deputy Chairperson / Nominated by NEDLAC to represent organised business	29 August 2020	N/A	National Higher Diploma in Human Resources – Cape Peninsula University of Technology (CPUT) Strategic Retail Business Management – (Part- time, UCT Graduate School of Business) Process Facilitation (The South African College of Applied Psychology) Advanced Certificate in Leadership - (UCT Business School) Future Executive Programme (Bain Academy)	Human capital development strategic skills development omni channel learning experience design & delivery	N/A	Executive Committee	4 present
Mr Vijayen Naidoo	CEO: QCTO	28 August 2020	N/A	BPaedSc National Dip (Mech Eng) BEd (Hons)	Technical and vocational education and training as well as quality assurance	SAQA CHE. Umalusi NSA	Executive Committee	4 present
Dr Julie Reddy	CEO SAQA	29 August 2020	30 November 2022	BA MSc HDPM PhD	Education and training, NQFs, policy and implementation, leadership and management of parastatal agencies	CHE Umalusi, SAQA, NSA HRDC	N/A	2 present 1 apology
Ms Nadia Starr	CEO: SAQA	1 December 2022	N/A	MEd	Education	CHE SAQA NSA HRDC	N/A	1 apology
Dr Whitfield Green	CEO: CHE	13 May 2021	N/A	BSc HDE BEd MEd PhD	Science education, teacher education, igher education	Umalusi SAQA	N/A	1 present 3 apologies
Dr Mafu Rakometsi	CEO: Umalusi	28 August 2020	N/A	PhD	History of education Curriculum, examinations and assess-ment	SAQA, QCTO, CHE and Member of Helderberg College Council	N/A	3 present 1 apology

NAME	DESIGNATION (IN TERMS OF THE BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES IN QCTO (E.G.: AUDIT COMMITTEE)	NO. OF MEETINGS (4 ORDINARY COUNCIL MEETINGS HELD)
Mr Zamakwakhe Khuzwayo	Executive Officer: NSA	5 May 2022	N/A	Master's degree: Public Development and Management (Public Finance and Economics) Bachelor of Education (Honours): Quality Assurance and Assessment Higher Diploma in Secondary Education (Accounting and Economics)	Public Finance Human Resource Management and Development and Training Corporate Governance Monitoring and Evaluation Policy Planning, Formulation and Evaluation Qualifications and Curriculum Development	N/A	N/A	4 present
Mr Zongamele Mfecane	Nominated by NEDLAC to represent organised labour.	29 August 2020	N/A	National Diploma in Labour Law	Labour law, National education	CPF Chairperson, LED Chairperson, NEDCOM Member	ICT Strategic Committee	3 present 1 apology
Vacancy	Nominated by NEDLAC to represent organised labour.	Still to be appointed	N/A	N/A	N/A	N/A	N/A	N/A
Mr Mustak Ally	Nominated by NEDLAC to represent organised business.	29 August 2020	N/A	Masters in Business Administration (GIBS - University of Pretoria)	Human resources management and more specifically skills development	HRDC NSA MQA Sentinel Pension Fund	Audit and Risk Committee Council representative ICT Strategic Committee	4 present
Vacant	Nominated by NEDLAC to represent organisations of community and development interests.	Still to be appointed	8 March 2021	N/A	N/A	N/A	N/A	N/A
Mrs Ramatsimela Motjoadi (now vacant)	Nominated by NEDLAC to represent organisations of community and development interests.	2 September 2020	17 March 2023	BA and BA (Hons) (History)	Community development strategist, consultant and cultural activist Entrepreneurial community development Turnaround strategist	Mamokebe Investments (PTY) LTD Platinum City Development Corporation (PTY) LTD Basadi Ba Bapedi Cultural Development Trust Legakabje Mining and Exploration (PTY) LTD Dream Like A Celebrity CC	QAOQC	2 present 1 apology

NAME	DESIGNATION (IN TERMS OF THE BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES IN QCTO (E.G.: AUDIT COMMITTEE)	NO. OF MEETINGS (4 ORDINARY COUNCIL MEETINGS HELD)
Mr Sanele Mlotshwa	Appointed by the Minister to represent the interests of public education and training providers.	2 September 2020	N/A	Masters in Edu Degree (Unizulu) BEd (Hons) Degree (NWU) HDE (UNISA) Diploma in Education (SACTE)	Education leadership and management curriculum delivery and Management	SACPO NEC Higher Health NSA HRDC QCTO Majuba College Council TCCP	Executive Committee QAQOC	4 present
Mr Jayanathan Soobramoney	Member nominated by the private providers of education and training to represent the interests of private education and training providers, which providers are accredited providers in terms of the SDA.	29 August 2020	N/A	N.Dip E-engineering, Higher Dip-Light Current. Dip-Proj Management. BTech-Pulp and Paper, Current PhD student. Trades: Fitting and Maching Instrumentation and Process Control	ETQA functions; WIL functions; Business operations; artisan development; skills development; Management and leadership.	SAIMC; QCTO; Mangosuthu University of Technology (MUT) & Durban University of Technology (DUT) Advisory Board for Mechanical Engineering. MUT & DUT Advisory Board for Electrical Engineering. TEKmaton Training Institute of Board of Directors	Executive Committee OQACC	4 present
Ms Trudi van Wyk	Member to represent the interests of the state.	29 August 2020	N/A	BSc Mathematics and Chemistry (UNW) Higher Education Diploma (Remedial Education) (UNW) BEd (UNW) MEd (Educational Management) (UJ)	e-Learning; Open and distance learning; social inclusion and equity; National Qualifications Framework Career C Development	SAQA	N/A	2 present 2 apologies
Ms Thandi Phela	Member to represent the interests of the state.	29 August 2020	N/A	BCOM (Hons in Economics), Executive Development Programme	Strategy and programme industrial development and implementation	Board of Trade and Industrial Policy Strategy, TIPS, Served on South African National Accreditation system SANAS, QCTO Council member	N/A	2 apologies 2 absent

STANDING COMMITTEES

The Council had appointed the following Standing Committees at its meeting in March 2021. These Committees only started to meet in the 2021/22 financial year.

The roles and functions of the Standing Committees are as follows:

EXECUTIVE COMMITTEE

Purpose:

The Executive Committee (EXCO) of the Quality Council for Trades and Occupations (QCTO) is responsible for the supervision and control of the performance of the functions of the QCTO between Council meetings. The EXCO mainly debates internal policies of the QCTO and recommends the same for Council approval. Council debates and approves external policies.

Functions:

Subject to the directions of the QCTO, the EXCO has the following functions:

- To preside over management reports and make recommendations to Council;
- To independently review quarterly financial reports in accordance with the National Treasury Regulations 30.2.1;
- To ensure proper accountability of the CEO as the custodian of the PFMA and QCTO mandates;
- Supervise the proper management of all financial matters;
- Coordinate and supervise the implementation of the policies of the QCTO;
- Monitor national policy issues and developments and make recommendations on the development and/or adoption of policies by the QCTO;
- Evaluate the effectiveness of Council Committees (Oversee the functioning of committees, and structures of the QCTO);
- Monitor and evaluate the implementation of the Annual Performance Plan (APP), budgets and expenditure of the organisation;
- Review quarterly the In-Year Management and Monitoring Report of their activities to ensure that they are acting within the terms of any powers delegated to them by the QCTO;
- Advise on the management of staff employment issues;
- Monitor and advise the relations and interactions of the QCTO with the NSA, Umalusi, the CHE, SAQA and other relevant regulatory government departments;
- Oversee business continuity management in QCTO;
- Fulfil the role of a remuneration committee by reviewing the quarterly reports of remuneration of the Council and Committee members and Cost of Living Adjustment (COLA);



EXCO - from left to right: Mr S Mlotshwa, Mr V Naidoo (CEO), Ms S Antoni (Dep. Chairperson), Mr Z Mfecane and Mr J Soobramoney.

Absent from the picture: Mr T Dlamini (Chairperson).

- Review the User Assessment Management of the QCTO;
- Consider Alternative Funding Models;
- Perform any other function or duty delegated to it by the QCTO Council or conferred by the QCTO constitution;
- The EXCO must deal with any urgent matter between Council meetings; and
- The EXCO must ensure that the QCTO complies with the requirements of the relevant legislation and the QCTO's constitution in accordance with the principles and prescripts of governance.

OCCUPATIONAL QUALIFICATIONS, ASSESSMENT AND CERTIFICATION COMMITTEE (OQACC)

Purpose:

To provide, guide and make recommendations to the QCTO Council on occupational qualifications and part qualifications development and registration on the Occupational Qualifications Sub-Framework (OQSF) of the National Qualification Framework (NQF), including skills programmes, as well as their Assessment and Certification.

Functions

The Occupational Qualifications, Assessment and Certification Committee (OQACC) assumes the following functions and responsibilities as a committee accountable to the QCTO Council:

- Recommend to the QCTO Council inputs on policy matters regarding the development of new

occupational qualifications and part qualifications, realignment of historically registered qualifications into occupational qualifications, reconstruction of NATED Report 191 Part 2 (N4 to N6 Programmes) qualifications and review of occupational qualifications, part qualifications and Historically Registered Qualifications, registered on the OQSF, including Skills Programmes;

- Endorse approved qualifications, part qualifications and skills programmes and submit such to the QCTO Council for noting;
- Guidance on matters relating to the registration of occupational qualifications by the National Qualifications Framework (NQF) requirements;
- Recommend to the QCTO Council inputs on policy matters and guide the unit on the issues relating to its work in establishing, maintaining and improving the standard and quality of assessments and certification for qualifications on the OQSF;
- Receive and consider research reports relevant to the scope of the committee;
- Receive and consider reports on the quality of assessments and certification for qualifications on the OQSF and report on the same to QCTO Council;
- Serve as an appeals committee provided an internal committee does not resolve appeals;
- Receive reports from the following:
 - Internal Qualifications Committee and Occupational Qualification Development Unit,
 - Internal Assessment Committee and Assessment Unit, and
 - Certification Unit.
- Participate in joint internal and external committee meetings as and when required.



OQACC - (Back row) from left to right: Mr W Matthiae, Mr J Nell, Mr S Buthelezi, Dr E Sujee.

(Front row) from left to right: Ms A Straussner, Ms N Langa-Mtintsilana, Mr J Soobramoney (Chairperson), Dr L Meyer and Dr S Lloyd.

Absent from the picture: Mr R Best and Mr T Lata.

QUALITY ASSURANCE OF OCCUPATIONAL QUALIFICATIONS COMMITTEE (QAOQC)

Purpose

To provide, guide and make recommendations to the QCTO Council on matters relating to quality assurance (accreditation, monitoring and evaluation) of the provisioning of qualifications registered on the Occupational Qualifications Sub-Framework (OQSF) of the National Qualification Framework (NQF), including skills programmes

Functions

The Quality Assurance of Occupational Qualifications Committee (QAOQC) will assume the following functions and responsibilities as a committee accountable to the QCTO Council:

- Recommend to the QCTO Council inputs on policy matters regarding quality assurance, which includes accreditation and monitoring and evaluation of the provisioning of qualifications registered on the OQSF;
- Advise the Council on all matters related to quality assurance aimed at establishing and improving the standard and quality of accreditation, quality assurance, monitoring and evaluation for the provisioning of qualifications on the OQSF;
- Receive and consider reports on the quality assurance of accreditation, provision, monitoring and evaluation

for qualifications on the OQSF and report on the same to Council;

- Receive and consider research reports relevant to the scope of the Committee;
- Receive and consider reports on Quality Assurance Partners and Assessment Partners;
- Guide the unit on quality assurance, monitoring and evaluation and provisioning related matters objectives;
- Provide advice to the Council on appeals;
- Participate in joint internal and external committee meetings as and when required; and
- Serve as an appeals committee in the event that the internal QCTO committees are not able to resolve appeals.

INFORMATION COMMUNICATION AND TECHNOLOGY STRATEGIC COMMITTEE

Purpose

The Information Communication and Technology Strategic Committee has been established in line with the requirements of the National Department of Public Service and Administration's (DPSA) Corporate Governance of ICT Policy (CGICT) with a responsibility to ensure alignment between IT and business strategy through the governance of enterprise IT. The newly established standing committee of Council will review the current Terms of Reference as soon as it has its first meeting.



QAOQC - (Back row) from left to right: Mr P Mahlangu, Ms K Dry-Courtois, Mr E Mbuwe and Dr R Nnadozie. (Front row) from left to right: Ms O Mokgatla, Mr S Mlotshwa (Chairperson), Ms R Singh and Mr J Soobramoney. Absent from the picture: Dr M Dliwayo, Mr T Hlezi and Dr A Kriel.

The following table indicates details per standing committee of Council:

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAMES OF MEMBERS	NO. OF MEETINGS ATTENDED	NO. OF APOLOGIES RECEIVED
Executive Committee	4 ordinary meetings	6 members	Mr Themba Dlamini (Chairperson, appointed 10/11/2022) Ms Sibongile Antoni (Acting Chairperson and Deputy Chairperson) Mr Vijayen Naidoo (CEO) Mr Zongamele Mfecane Mr Sanele Mlotshwa Mr Jayanathan Soobramoney	1 4 4 4 4 4	0 0 0 0 0 0
Occupational Qualifications, Assessment and Certification Committee	4	14 members (2 vacant)	Mr Jayanathan Soobramoney (Chairperson) Mr Robert Best Mr Sabelo Buthelezi Dr Shirley Lloyd Ms Astrid Straussner Mr Thomas Lata (QCTO) Dr Sanele Nene Dr Linda Meyer Ms Busi Mtintsilana Mr Japie Nel Dr Eva Sujee Co-opted members (invited to 2 meetings) Mr Willy Matthiae Mr Dugmore Mphuthing	4 4 3 4 4 3 3 3 4 2 2 1 2	0 0 1 0 0 1 1 1 0 2 2 1 0
Quality Assurance of Occupational Qualifications Committee	4	11 members	Mr Sanele Mlotshwa (Chairperson) Ms Ramatsimela Motjoadi (resigned) Mr Paulus Mahlangu Dr Altı Kriel Ms Raish Singh Ms Kim Dry-Courtois Mr Jayanathan Soobramoney Dr Remigius Nnadozie Mr Emmanuel Mbuwe (QCTO) Ms Olivia Mokgatle Mr Tusani Hleza Dr Mary Dliwayo	3 2 4 4 3 4 4 3 3 4 3 3	1 2 0 0 1 0 0 1 1 0 1 1
Information Communication and Technology Strategic Committee	0 (Committee only appointed in March 2023)	7 members	Mr Mustak Ally (Chairperson) Mr Zongamele Mfecane Dr Walter Matli Dr Harold Patrick Ms Unathi Somagaca Mr Maredi Makgolane Mr Nkosenhle Ngongoma	N/A	N/A

REMUNERATION OF COUNCIL MEMBERS

The QCTO Council members were remunerated as per National Treasury rates. Reimbursement was in

accordance with the Remuneration Policy of the QCTO Council and Council Committees.

NAME	REMUNERATION R	OTHER REIMBURSEMENT R	TOTAL R
Mr Themba Dlamini (Chairperson)	N/A	N/A	N/A
Ms Sibongile Antoni (Deputy Chairperson and Acting Chairperson)	112,828.00	1,800.00	114,628.00
Mr Jay Soobramoney	132,963.00	1,800.00	134,763.00
Mr Zongamele Mfecane	68,720.00	2,320.00	71,040.00
Mr Sanele Mlotshwa	87,615.00	36,695.26	124,310.26
Ms Francina Motjoadi	41,349.00	600.00	41,949.00
Mr Ally Mustak	N/A	N/A	N/A
Mr Vijayen Naidoo (CEO)	N/A	N/A	N/A
Dr Julie Reddy (replaced by Ms Nadia Starr)	N/A	N/A	N/A
Dr Whitfield Green	N/A	N/A	N/A
Dr Mafu Rakometsi	N/A	N/A	N/A
Dr Thabo Mashongoane (replaced by Mr Zamakwakhe Khuzwayo)	N/A	N/A	N/A
Ms Trudy van Wyk	N/A	N/A	N/A
Ms Thandi Phele	N/A	N/A	N/A
Total*	443,475.00	43,215.26	486,690.26

- *The above amounts include remuneration, subsistence and travelling allowances for attending all Council and committee meetings.*

5. RISK MANAGEMENT

The Council reviewed and continued to implement the Risk Management Policy, Risk Management Framework and Risk Management Strategy. The CEO serves as the Chief Risk Officer. All milestones of the Risk Management Strategy for 2022/23 were achieved. Various risk assessments were conducted, which culminated in a reviewed strategic risk register and operational risk registers for all Chief Directorates. A Risk Management Committee is in place, which considers new and emerging risks. Progress on the mitigation of risks is continually monitored and reported to the Audit and Risk Committee on a quarterly basis. The Audit and Risk Committee advises the Council on risk management and independently monitors the effectiveness of the system of risk management. The QCTO has seen progress in the management of risks and also maintains a system of evidence for risk mitigation. According to a review on the maturity of the implementation of risk management,

the organisation is doing well. A Combined Assurance Framework is in place and assists Council to monitor the level of assurance provided by different assurers per the top 14 key risks.

6. INTERNAL CONTROL UNIT

Continued progress was made to improve internal controls. Audit action plans with findings raised by the AGSA as well as Internal Audit are in place and are closely monitored by the Audit and Risk Committee. These findings are also followed up by Internal Audit on a regular basis and reported to the Audit and Risk Committee.

The QCTO management together with Internal Audit conduct quarterly meetings on the QCTO's internal control checklist and presents the outcomes to the Audit and Risk Committee.

7. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

KEY ACTIVITIES AND OBJECTIVES OF INTERNAL AUDIT

The objective of the internal audit function is to provide independent, objective assurance designed to add value and improve the QCTO's operations. It assists the QCTO towards accomplishing its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, internal control and governance processes.

The scope of the Internal Audit function includes, but is not limited to, an evaluation of:

- The reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- The systems established to ensure compliance with those policies, plans, procedures, laws and regulations that could have a significant impact on operations and reports;
- The means of safeguarding assets and, where appropriate, verification of the existence of such assets;
- The economic and efficient management of the company's financial, human and other resources, and the effective conduct of its operations; and
- Operations or programmes to ascertain whether or not results are consistent with established objectives and goals and whether or not the operations are being carried out as planned.

The objectives of the function of the Internal Audit function, defined in terms of audit focus areas, are as follows.

- **Financial auditing**, which aims to ensure that reliable information is produced for both management purposes and external publication and that adequate controls exist to safeguard assets;
- **Operational auditing**, which focuses on the effectiveness and efficiency of the substructure's operations;
- **Compliance auditing**, which addresses compliance with relevant national laws and regulations, best practice and the QCTO's established policies and procedures;
- **IT auditing**, which reviews the controls over information technology and whether IT supports the

QCTO's objectives; and

- **Performance auditing**, to evaluate measures instituted by management to ensure economic acquisition and efficient and effective utilisation of resources.

AUDIT WORK

The QCTO has outsourced the function of internal audit to BIG (Business Innovation Group).

The following reviews/activities as per audit plan were completed during the 2022/23 financial period and presented to the Audit and Risk Committee:

- Internal Audit Charter tabled and approved and Audit and Risk Committee Charter tabled;
- Internal Audit Plan for 2022/23 and Rolling Plans for 2022/23 to 2024/25 tabled and approved;
- Facilitated a Strategic Risk Assessment Workshop;
- Facilitated an Annual Root Cause Workshop to assist management in their preparation of an "Audit Action Plan";
- Facilitated a Fraud Risk Assessment Workshop;
- Attended Quarterly Audit and Risk Committee Meetings;
- Participated in Quarterly Risk Management Committee Meetings;
- Participated in Quarterly Internal Dashboard Meetings.
- Conducted the following internal audit reviews:
 - Draft Strategic Plan and Annual Performance Plan for 2023/24;
 - Performance Information for Quarter 2 of 2022/23;
 - Information Technology - General controls review
 - Asset management
 - Financial Discipline Review
 - Human Resources Review
 - Follow Up Review on Audit Action Plans – External and Internal Audit Findings
 - Assessment of SCM Deviation Q2 (Cumulative Q1 and Q2)
 - Unaudited Annual Performance Information for 2021/22 financial year;
 - Unaudited Annual Financial Statements 2021/22.

OBJECTIVES OF THE AUDIT AND RISK COMMITTEE

- 1.1 The objective of the Audit and Risk Committee is to assist the QCTO in the discharge of its responsibilities for financial and management reporting, corporate governance and corporate

control, including the review of internal controls and the management and mitigation of risks.

- 1.2 It should also review the QCTO's policies in complying with relevant laws, regulations and ethics.
- 1.3 The Committee has an advisory role to the Council.

KEY ACTIVITIES OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee should assist the Council in carrying out its responsibilities as they relate to the QCTO's:

- (a) Financial, management and other reporting practices;
- (b) Internal controls and management of risks; and
- (c) Compliance with laws, regulations, and ethics.

Furthermore, the Audit and Risk Committee should:

- Report to the Council any matter identified during the course of carrying out its duties that it considers significant; and
- Perform or undertake on behalf of the Council any such other tasks or actions as the Council may from

time to time authorise.

Further activities include the following, -to:

- Consider the effectiveness of the internal control and risk management system;
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations together with management's responses;
- Review the QCTO risk profile on an annual basis and ensure management is effectively managing the risks;
- Review the Materiality and Significance Framework and Fraud Prevention Plan of the QCTO;
- Review the effectiveness of the system around monitoring compliance with laws and regulations and the results of management's investigation and follow up (including disciplinary action) of any instances of non-compliance; and
- Review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information and annually review annual financial statements.

- 1.4 The Audit and Risk Committee was appointed in August 2021 and all members of the Audit and Risk Committee are external to the QCTO.



**ARC - From left to right: Ms P Makukule, Mr G Labane and Dr D Jairam.
Absent from the picture: Mr S Maharaj (Chairperson) and Mr R Mnisi**

The table below represents the members of the third Audit and Risk Committee appointed from 1 August 2021 to 31 July 2024. The Committee held four ordinary meetings in 2022/23 financial year and one special meeting.

NAME	QUALIFICATIONS	DATE APPOINTED / RE-APPOINTED	DATE RESIGNED	NO. OF MEETINGS
Mr Suren Maharaj (Chairperson)	MBA, Hons BCompt Degree; BCom Degree; CA (SA)	01 August 2021	N/A	5 present
Ms Pretty Makukule (Alternate: Ms Amelia Poolman)	BCom (Accounting) Advance Diploma in Accounting Science Postgraduate Diploma Applied Accounting Science (CTA) Masters in Business Administration ACMA, CGMA CA (SA)	01 August 2021	N/A	4 present
Dr Denisha Jairam-Owthar	PhD in ICT Master of Business Admin BCOMPT Accounting Sciences Certified Director	01 August 2021	N/A	5 present
Mr Patrick Roy Mnisi	Bachelor of Laws / LLB Degree Post Grad Certificate in Compliance Management MBA	01 October 2021	N/A	5 present
Mr Gideon Labane	National Diploma Cost and Management Accounting; B com Honors Accounting; CA (SA)	01 October 2021	N/A	5 present
Mr Mustak Ally	Masters in Business Administration (GIBS - University of Pretoria)	17 March 2021	N/A	3 present

8. COMPLIANCE WITH LAWS AND REGULATIONS

To date, the QCTO has ensured that it complied with all required documentation in terms of the PFMA and Treasury Regulations as required by the DHET's Compliance Calendar.

The QCTO also attends various meetings to keep abreast of laws and regulations that need to be complied with. It works closely with the DHET to ensure that it is continuously updated as regards the latest laws and regulations. The QCTO has developed a Compliance Universe and checklists against its founding legislation, and monitors compliance on a quarterly basis.

The CFO also attends the CFO Forum and meetings arranged by National Treasury to keep abreast with new developments.

9. FRAUD AND CORRUPTION

The QCTO has implemented and reviewed its Fraud Prevention Policy and Plan. A comprehensive fraud risk assessment was conducted and the fraud risk register was updated. It is reported every quarter at the Audit and Risk Committee.

The QCTO launched its own Fraud and Ethics Hotline in March 2016. Continued awareness raising is conducted with staff and stakeholders. The contact details of the QCTO Fraud and Ethics Hotline are as follows:

Telephone: 0800 111 894

Email: qcto@thehotline.co.za

The alleged cases of fraud, a total of 12 from April 2022 to March 2023 versus 42 during the previous year, were reported and investigated, and no actual fraud was detected during the course of the financial year reported via the Hotline. Neither was any other actual fraud detected through other QCTO processes.

10. MINIMISING CONFLICT OF INTEREST

In the past year, no conflicts of interest were declared.

11. CODE OF CONDUCT

The QCTO has its own approved Code of Conduct for employees, which is signed by each of these.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The QCTO has been renting its own office space since mid-December 2013. The building is compliant with health and safety imperatives as assessed by the landlord and the external OHS specialist, therefore, no major issues of concern have been identified thus far. Moreover, QCTO has established health and safety structures and systems, including a committee that handles emerging Health and Safety issues in compliance with Health and Safety legislation.

The unprecedented times of COVID-19, followed by the announcement of the National Lockdown by the President on 26 March 2020, necessitated the need for the organisation to respond quickly and have an understanding of the impact that the virus may have on the way in which health and safety is managed. The building was remodelled in order to accommodate more staff and be COVID-19 compliant. By yearend, the process was completed. COVID-19-related matters have

been dealt with through the QCTO Executive Committee (EXCOM) that met on a monthly basis. The COVID-19 Risk Register was developed where progress was reported on a quarterly basis.

Furthermore, several health and safety precautionary measures were implemented. These include return to the office protocols, and providing the necessary personal protective equipment such as sanitizers, masks and gloves, and routine cleaning of high-risk areas and surfaces (such as door handles, taps, stairs, work surfaces). Furthermore, a hybrid working system was implemented, where staff worked from office on rotational basis. 40% of meetings were held physically at the office and 60% virtually. Decontamination of the buildings was performed as and when a positive case of COVID-19 Pandemic arose. Through official statements issued by the Office of the CEO and constant circulars, staff members were reminded to comply with health directives.

13. COUNCIL SECRETARY

The QCTO does not fall under the Companies Act and therefore this section is not applicable to it. The QCTO does have a Director: Governance, Risk, Compliance and Secretariat and staff that perform the secretariat function to Council and its committees.

14. SOCIAL RESPONSIBILITY

Not applicable to the QCTO for the 2022/23 financial year.



15. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

SUMMARY OF MAIN ACTIVITIES UNDERTAKEN BY AUDIT AND RISK COMMITTEES DURING THE FINANCIAL YEAR UNDER REVIEW

The Audit and Risk Committee met five times during the financial year and performed, amongst other activities, the following key responsibilities:

- Approved the strategic and coverage plans of Internal Audit;
- Reviewed the audit strategy of the Auditor-General South Africa and submitted their audit report to the entity for the financial year ended 31 March 2023;
- Reviewed and approved the Internal Audit Charter;
- Reviewed the Audit and Risk Committee Charter but deferred it to the next meeting in view of the appointment by Council of the ICT Strategic Committee;
- Reviewed the in-year management reporting related to financial management, risk management and performance management;
- Reviewed the Risk Management Policy, Framework and Strategy;
- Reviewed the Fraud Prevention Policy and Fraud Prevention Plan;
- Noted review reports and outcomes from Internal Audit;
- Reviewed the remedial actions implemented by management to address control weaknesses reported by Internal Audit and the AGSA;
- Noted the quarterly and annual performance reports; and
- Noted the Annual Performance Plan 2023/24.

THE EFFECTIVENESS OF INTERNAL CONTROL

In accordance with the PFMA requirements, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes. In terms of the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicated any material deficiencies in the system around internal controls, although there were areas where control weaknesses were noted. Accordingly, we report that the system of internal controls for the period under review was effective for most areas tested. It should be noted, however, that, in certain areas, controls were found to be only partially effective and these require improvement. We have received assurance that these are being addressed and we will continue to monitor the implementation of remedial actions in response to findings of both the Internal Audit and the Auditor-General South Africa.

THE QUALITY OF IN-YEAR MANAGEMENT AND QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

The Audit and Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Authority of the QCTO during the year under review.

EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit and Risk Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General South Africa and the Chief Executive Officer;
- Reviewed the Auditor-General South Africa's management report and management's response thereto;
- Reviewed any changes in accounting policies and practices;

- Reviewed the entity's compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives to be included in the Annual Report; and
- Reviewed significant adjustments resulting from the audit.

INTERNAL AUDIT

The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

The following Internal Audit work was completed during the year under review:

- Adequacy and effectiveness audits on various internal control and governance processes;
- Review of the Annual Financial Statements for the financial year ended 31 March 2023;
- Reviews of the Quarter 2 performance information report for the financial year ended 31 March 2023, including annual performance information;
- Follow-up audits on previous audits to evaluate the effective implementation of Internal Audit recommendations that management had agreed to implement;
- Advisory services; and
- Follow-up on implementation of previous years' audit recommendations by the AGSA.

AUDITOR-GENERAL SOUTH AFRICA

The Audit and Risk Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues.

RISK MANAGEMENT

The Audit and Risk Committee closely monitored the identification of risks in the QCTO and received quarterly progress reports on the mitigation of risks. No major incidents/losses were reported by Management.

CONCLUSION

The Audit and Risk Committee concurs with and accepts the conclusions of the Auditor-General South Africa on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General South Africa.

The Audit and Risk Committee commends Management on achieving a clean audit for the seventh year in succession and urges the organisation to maintain the standard. We commend management on their commitment to good governance within the organisation.



Mr Suren Maharaj
CHAIRPERSON OF THE AUDIT AND RISK COMMITTEE
QUALITY COUNCIL FOR TRADES AND OCCUPATIONS

Date: 28 July 2023

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

HAS THE PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1-8) WITH REGARD TO THE FOLLOWING:		
CRITERIA	RESPONSE YES/NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law.	No	The QCTO does not issue any licences or concessions.
Developing and implementing a preferential procurement policy.	Yes	The organisation complied to National Treasury Instruction Note to put tenders in abeyance following Constitutional Court ruling on Regulation.
Determining qualification criteria for the sale of state-owned enterprises.	No	Not applicable to the QCTO.
Developing criteria for entering into partnerships with the private sector.	No	There has not been any project that required the QCTO to enter into a partnership with the private sector.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment	No	The QCTO has no capacity to award grants and/or incentives as the organisation itself is a grant recipient.

PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

- Overview of HR matters at the QCTO

The QCTO total staff complement for 2022/23 is 106, which consists of:

- 103 permanent staff as per approved organisational structure; and
- 3 contract employees as per approved structure.

The 2016 revised QCTO-approved structure provides for 246 permanent posts to be filled in phases based on the availability of funds. However, since not all of the approved posts could be filled, a total of nineteen (19) posts considered to be of a critical nature were advertised during the year under review owing to limited funding and extreme budget cuts. The 2022/23 approved budget and MTEF budgets permits approximately 120 posts to be filled. The vacancy rate stands at 57% for the 2022/23 financial year, a slight decrease when compared to the previous financial year (2020/21), which stood at 59%. For the year under review, the QCTO was able to fill 103 of all funded posts on permanent basis, while one (1) permanent post was filled on contract and two (2) contract post that are not part of the approved structure. The result of filling posts on permanent capacities will bring greater stability to the organisation. HR priorities for the year under review and the impact of these priorities:

The main HR focus was to finalise the review of the Human Resources Policies, Human Resources Procedures and the implementation of the approved Capacity Building Strategy (Years 2 – 40%), and the approved Change Management Strategy (Year 1 – 40%).

- Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce:

The QCTO's own Human Resources Policies, procedures, and systems were implemented as from 1 September 2014. These approved Human Resources policies and procedures include elements of improved employee benefits, staff retention, such as training and development and bursaries for staff. During 2022/23, another review of the Human Resources Policies and Procedures was undertaken and the process was completed in the 2022/23 financial year. The enhancements brought about for the revised Human Resources Policies and Procedures. These are intended, amongst others, to

improve employee conditions of services as a drive to retain staff.

Part of the Capacity Building Strategy (Year 2 - 40%) and part of the Change Management Strategy (Year 1 – 40%) were successfully implemented.

- Employee performance management framework:

The QCTO reviewed the Performance Management Policy was approved by the Council on 10 March 2023, this will enhance the monitoring and evaluation of the performance of employees and ensure full compliance by all staff.

- Recruitment and appointments

QCTO implemented the E-Recruitment System to enhance the recruitment systems as of January 2023. This means that the application of posts henceforth is conducted or submitted via the E-Recruitment System. The system enhances the recruitment process as it is used to conduct sifting of the applications, which was previously conducted manually and for data record management of applications.

- Employee wellness programmes:

QCTO appointed ICAS employee wellness services for referral of employees who seek assistance in health and wellness related matters.

Stress and Burnout Management workshop was conducted for all employees.

Employee wellness day for all employees, wherein health experts provided health advice to all employees, was conducted.

- Policy development:

HR Policies and procedures were reviewed and approved during the financial year under review

- As per requirements:

- The QCTO submitted the Employment Equity Report for 2022/23 to the Department of Employment and Labour. The Employment Equity Committee has been established to oversee the implementation of Employment Equity activities;
- The QCTO submitted the Workplace Skills Plan for 2022/23 and the Training and Development Committee has been established to oversee

implementation of training and development programmes of employees;

- The QCTO continued to successfully implement its own payroll system (VIP), the Employee Self Service (ESS) System, and the Electronic Performance Management System (ESS). These modules enable the effective administration of payroll the management of leave, and performance management of employees;
- An Electronic Performance Management System (ESS) was implemented to enhance the monitoring and evaluation of the performance of employees and ensure full compliance by all staff;
- Year 1 – 40% of the Change Management Strategy was successfully implemented in full
- Year 2 – 40% of the Capacity Building Strategy was successfully implemented in full;
- A Pension Fund Committee is in place to manage pension related matters of the employees
- An Employment Equity Plan is in place; and
- Implementation of the following organization-wide training programmes was achieved
 - Stress and Burnout Management
 - Information Officer Training
 - Annual Labour Law
 - Govtech
 - Certified Biometrics Training
 - Annual HRM Convention
 - HR Premier Job Management
 - HR Premier Employee Management
 - HR Premier Performance Management
 - Basic Payroll

● Challenges faced by the QCTO:

The QCTO was able to fill 103 posts on a permanent basis, although funding remains a hindrance to fully capacitating the approved structure. The QCTO's compensation budget does not allow for all the approved posts (246) to be filled. Of the 246 approved posts, the budget permits not more than 120 posts to be filled. These posts are funded mainly from the SETA grant; however, as these funds are allocated annually, based on a submission made to the DHET, the amount received (if any) can vary considerably. The uncertainty constrains the QCTO around fully implementing its mandate.

● Future HR plans/goals:

- Implementation of Year 3 - 20% of the approved Capacity Building Strategy;
- Implementation of Year 2 – 40% of the approved Change Management Strategy;
- Employment Equity initiatives;
- Facilitation of the training programmes to all QCTO employees to enhance their skills in terms of the Workplace Skills Plan; and
- Implementation of the E-Learning System platform that allows employees to attend to various training programmes at their own pace via the system.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

PERSONNEL COST BY PROGRAMME

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
	R'000	R'000			R'000
QCTO	132 375	71 217	54%	106	672

PERSONNEL COST BY SALARY BAND

CLASSIFICATION	PERSONNEL EXPENDITURE	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COSTS	NUMBER EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
	R'000			R'000
Top Management	2 457	3%	1	2 457
Senior Management	17 683	25%	14	1 263
Professional qualified	40 504	57%	62	653
Skilled	5 736	8%	11	521
Semi-Skilled	3 989	6%	13	307
Unskilled	847	1%	5	169
TOTAL	71 217	100%	106	672

PERFORMANCE REWARDS

LEVEL	PERFORMANCE REWARDS (R'000)	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL EXPENDITURE
Top Management	241	2 457	10%
Senior Management	1 348	17 683	8%
Professional qualified	1 327	40 504	3%
Skilled	819	5 736	14%
Semi - Skilled	135	3 989	3%
Unskilled	31	847	4%
TOTAL	3 901	71 217	5%

Performance Rewards for 2022/23 financial year.

TRAINING COSTS

PROGRAMME	PERSONNEL EXPENDITURE	TRAINING EXPENDITURE	TRAINING AS A % OF PERSONNEL COSTS	NUMBER OF EMPLOYEES	AVERAGE TRAINING COST PER EMPLOYEE
	R'000	R'000			R'000
QCTO	71 217	262	0%	38	7

EMPLOYMENT AND VACANCIES

PROGRAMME	2021/22	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23	2022/23
	APPROVED POSTS	NUMBER OF EMPLOYEES	VACANCIES	% OF VACANCIES	APPROVED POSTS	NUMBER OF EMPLOYEES	VACANCIES	% OF VACANCIES
QCTO	246	101	145	59%	246	106	140	57%

Notes:

1. Of the total of 246 approved posts on the approved organogram, 197 are centred on the core business operations of QCTO and 49 on the support structure.
2. All approved positions and employee appointments have been budgeted accordingly throughout the MTEF period, with a total 120 posts funded for the 2022/23 financial year. The vacancy rate stands at 57% for the 2022/23 financial year, a slight decrease when compared to the previous financial year (2021/22), when it stood at 59%.
3. Taking into consideration, the number of funded posts, the vacancy rate is 87%.

EMPLOYMENT CHANGES

The table below reflects changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the QCTO.

LEVEL	2021/22	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23	2022/23
	APPROVED POSTS	NUMBER OF EMPLOYEES	VACANCIES	% OF VACANCIES	APPROVED POSTS	NUMBER OF EMPLOYEES	VACANCIES	% OF VACANCIES
Top Management	1	1	0	0%	1	1	0	0%
Senior Management	20	15	5	25%	20	14	6	30%
Professional qualified	151	58	93	62%	151	62	89	59%
Skilled	45	11	34	76%	45	11	34	76%
Semi - Skilled	26	13	13	50%	26	13	13	50%
Unskilled	3	3	0	0%	3	5	2	67%
TOTAL	246	101	145	59%	246	106	140	57%

REASONS FOR STAFF LEAVING

CATEGORY	NUMBER OF STAFF LEAVING	% OF STAFF LEAVING TO TOTAL STAFF (99)
Death	0	0%
Resignation	8	9%
Dismissal	2	2%
Retirement	0	0%
Ill - Health	0	0%
Expiry of Contract	1	1%
Other	0	0%
TOTAL	11	12%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

There were three (3) cases of misconduct and two (2) employees were dismissed based on the outcomes of Disciplinary Hearing Proceedings, and one (01) employee opted to resign.

Two (2) employees were placed on precautionary suspension pending an investigation.

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Dismissal	2
TOTAL	2

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

The Employment Equity Policy is in place and the Employment Equity Plan was developed and submitted to the Department of Labour.

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0	0	0	0	0
Senior Management	1	5	0	3	0	3	3	2
Professional qualified	29	1	1	6	0	5	2	3
Skilled	7	0	0	2	0	1	0	2
Semi-skilled	14	6	0	3	0	1	0	2
Unskilled	2	4	0	2	0	1	0	2
TOTAL	53	16	1	16	0	11	5	11

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	2	0	2
Professional qualified	0	3	0	3
Skilled	0	3	0	2
Semi-skilled	0	2	0	2
Unskilled	0	1	0	1
TOTAL	0	11	0	10

The Employment Equity Plan for the 2022/23 was submitted to the Department of Labour and an Employment Equity Committee is in place to oversee the implementation of the plan. The recruitment process is currently based on the gaps the QCTO has on Employment Equity statistics.

PART E: PFMA COMPLIANCE REPORT



1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 IRREGULAR EXPENDITURE

Public Financial Management Act No. 1 of 1999 (PFMA) defines irregular expenditure as:

“Expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including—

- The PFMA
- The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or
- Any provincial legislation providing for procurement procedures in that provincial Government”

The table below outlines irregular expenditure balances.

- Reconciliation of irregular expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Opening balance	0.00	0.00
Add: Irregular expenditure confirmed	0.00	0.00
Less: Irregular expenditure condoned	0.00	0.00
Less: Irregular expenditure not condoned and removed	0.00	0.00
Less: Irregular expenditure recoverable	0.00	0.00
Less: Irregular expenditure not recovered and written off	0.00	0.00
Closing balance	0.00	0.00

Irregular expenditures under assessment, determination & investigation

DESCRIPTION	2022/23 R'000	2021/22 R'000
No incident recorded in the past two financial years.	0	0

QCTO did not incur and recorded any irregular expenditure in the past two (02) financial years.

1.2 FRUITLESS AND WASTEFUL EXPENDITURE

Public Financial Management Act No. 1 of 1999 (PFMA) defines fruitless and wasteful expenditure as:

“expenditure which was made in vain and would have been avoided had reasonable care been exercised;”

The tables below outline irregular expenditure balances:

- Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Opening balance	0.00	0.00
Add: Fruitless and wasteful expenditure confirmed	0.00	0.00
Less: Fruitless and wasteful expenditure written off	0.00	0.00
Less: Fruitless and wasteful expenditure recoverable	0.00	0.00
Closing balance	0.00	0.00

Fruitless and wasteful expenditures under assessment, determination & investigation

DESCRIPTION	2022/23 R'000	2021/22 R'000
No incident recorded in the past two financial years .	-	-

QCTO did not incur and/or recorded any fruitless and wasteful expenditure in the past two (02) financial years.

NEW ANNUAL FINANCIAL STATEMENT REPORTING FORMAT

Irregular Expenditure and Fruitless and wasteful expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Unauthorised expenditure (departments only)		
Irregular Expenditure	-	-
Fruitless and wasteful expenditure	-	-
Closing balance	-	-

(1) Amounts of material losses through criminal conduct

DESCRIPTION	2022/23	2021/22
	R'000	R'000
No incident recorded in the past two financial years.	0	0

(2) Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

DESCRIPTION	2022/23	2021/22
	R'000	R'000
No incident recorded in the past two financial years .	-	-

ADDITIONAL NARRATIVES

(3) Impracticability Judgement

1.3 ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III))

a. Details of current and previous year material losses through criminal conduct

MATERIAL LOSSES THROUGH CRIMINAL CONDUCT	2022/23	2021/22
	R'000	R'000
Theft	0.00	0.00
Other material losses	0.00	0.00
Less: Recovered	0.00	0.00
Less: Not recovered and written off	0.00	0.00
Total	0.00	0.00

QCTO did not recorded any material losses through criminal conduct in the previous two (02) financial years.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Paragraph 8.4 (C) of The National Treasury Instruction No. 3 of 2021/22 financial year requires that the Accounting officer of a public entity must pay suppliers within 30 days of receipt of invoices.

The table below depicts all invoices paid within 30 days and explanations for invoices not paid within 30 days.

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE
		R'000
Valid invoices received	524	R51,593,072.77
Invoices paid within 30 days or agreed period	524	R51,593,072.77
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	R156,883.52

The unpaid invoice relates to the QCTO MS Teams phones that were never set up and are still outstanding. The service provider has not performed the necessary settings required for the phones to be operational. A formal dispute has been lodged with the service provider and a legal process is underway to terminate the service providers contract. Therefore, the QCTO is not liable for an undelivered invoiced service.

3. SUPPLY CHAIN MANAGEMENT

3.1 PROCUREMENT BY OTHER MEANS

Paragraph 4.7 of The National Treasury Instruction No. 3 of 2021/22 financial year requires that the Accounting officer of a public entity to report all procurements through other means (Deviations from normal procurement process) on the annual report.

The table below depicts all transactions procured through other means during the financial year.

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Qualifications for Publication on the Government Gazette	Government Printing Works	Statutory	P007866	3,026.00
Annual Renewal fees	Frama	Sole Supplier	P007924	3,197.00
Government Printing Works (GWP)	Publish Qualification Notice on Government Gazette	Statutory	P008014	12,105.28
Adapt IT	Caseware Annual License Fee	Sole Supplier	P008034	95,541.03
Newspaper Direct/ Calandria 159	PressReader Licenses	Sole Supplier	P008090	18,950.00
Advertising Publication of Notice	Government Printing Works	Sole Supplier	P00704	9,052.64
Occupational Qualification for Publication	Government Printing Works	Sole Supplier (Government Department)	P006899	6,052.64
Access to legislation, regulation and SA gazette database	Sabinet	Sole Supplier	P007306	21,937.40
GovTech Conference	SITA	Sole Supplier	P007247	45,000.01
Certification Background Paper	Government Printing Works	Sole Supplier (Government Department)	P007210	140,300.00
Entity Contribution - COIDA	Department of Labour	Sole Supplier – Statutory requirement	P007096	101,097.97
Retrieve and return documents for digitisation of Paper based records	MERSETA	Single Source	P007063	46,563.95
Placement Fees	Dante Personnel Recruitment	Single Source (Placement Fees)	P007092	126,486.86
Press Reader	Newspaper Direct	Sole Supplier	P007312	18,950.00
IPM Training	Institute of People's Management	Sole Supplier	P007311	41,400.00
Notice of Government Gazette for Public comments	Government Printing Works	Sole Supplier	P007499	9,078.96
The approved Occupational Qualifications	Government Printing Works	Sole Supplier	P006357	10,894.88
Publish Qualification Notice	Government Printing Works	Sole Supplier	P006367	9,078.96
Rentals of Photocopier machines	Konica Minolta	Transversal contract	P007511	115,161.60
Rentals of Photocopier machines	Konica Minolta	Transversal contract	P007509	21,096.95
Advertising of vacancies online	PNET	Single source	P007549	89,574.88
25 Microsoft teams	Mobile Telephone Networks (MTN)	Variation on existing contract	P007543	9,343.75
Printing of the Mid Term Review	45th Media	Variation on existing contract	P007546	50,358.00
Training on SAGE	Sage South Africa	Sole Supplier	P007554	14,507.25
Annual Renewal Fees	Post Office	Sole Supplier	P007553	2,670.00
Total				R 1,021,426.01

3.2 CONTRACT VARIATIONS AND EXPANSIONS

Paragraph 5.5 of The National Treasury Instruction No. 3 of 2021/22 financial year requires that the Accounting officer of a public entity to report all the contracts variations above the limit on the annual report.

The table below depicts all variations made during the financial year above the limit of 20% / R20 million for construction projects or 15% / R15 million for all other contracts.

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Bullying and Harassment workshop	ICAS	Expansion	P007604	0.00	N/A	13,100.00
OQSF Industry satisfaction survey	Urban Econ Development	Expansion	P007806	62 5626.93	N/A	92,977.50
OQSF Launch Multimedia Production	Gendel Advertising & Marketing	Expansion	P005671	1 439 643.60	N/A	190,217.05
Cabling and installation of Network points	Sizwe IT Group	Expansion	P006747	1 791 536.87	N/A	81,867.14
Cleaning services	Khayalami Services	Variation	PUR1701/34	3 873 804.48	N/A	508,851.44
Microsoft licenses renewal (The extension of existing contract)	JEC Technologies	Expansion	P007358	677 232.70	N/A	100,48.40
Hygiene Services	Tsebo Solutions Group	Expansion	P007502	283 715.00	N/A	62,470.75
Travel Management Services	Travel with Flair	Expansion	Ad-hoc basis	0.00	N/A	3,991,211.76
Total				8 691 559.58	N/A	4,950,744.04

PART F: FINANCIAL INFORMATION



INDEX

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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MATERIALITY

The Financial Accounting Standards Boards (FASB) defines materiality as "the magnitude of an omission or misstatement in the financial statements that makes it probable that a reasonable person relying on those statements would have been influenced by the information or made a different judgement if the correct information had been known".

In setting its materiality framework, the QCTO relied on the quantitative materiality as espoused by International Standards on Auditing (ISA) 320, as listed in the table below. and the most appropriate basis for calculating the quantitative materiality limit for the QCTO was 1% of gross expenditure. This was in view of the fact that the QCTO is a services organisation that does not generate

its own income and are dependent on State funding. Thus, we assessed the level of a material loss as being 1% of gross expenditure as per the annual budget.

GUIDELINES FOR SETTINGS MATERIALITY LEVELS	
BASIS	MAXIMUM PERCENTAGE
Gross expenditure	1%
Gross revenue	1%
Net Income	2.5 – 10%
Fixed assets	2 – 5%
Total assets	0.5 – 2%

The annual budgeted gross expenditure for the year was estimated at **R129 253 million**. Based on the above and the guideline table above, the quantitative materiality level for QCTO is **R1 293 million** being 1% (rounded off) of the annual budgeted gross expenditure.



ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Council is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the Council to ensure that the Annual Financial Statements fairly present the entity's Financial Position, Financial Performance and Cash Flows as at the end of the financial year and the results of its operations and cash flows for the period then ended. The Auditor General South Africa are engaged to express an independent opinion on the Annual Financial Statements and was given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. The financial statements present fairly, in all material respects, the financial position of the Quality Council for Trades and Occupations as at 31 March 2023, and its financial performance and cash flows for the year ended in accordance with the Standards of Generally Recognised Accounting Practices (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA).

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The

focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

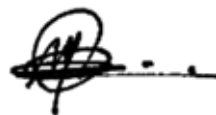
The Council is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Council have reviewed the entity's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Annual Financial Statements set out on page 4, which have been prepared on the going concern basis, were approved by the Council and were signed on its behalf by:



Mr V Naidoo
CHIEF EXECUTIVE OFFICER



Mr T Dlamini
CHAIRPERSON

Monday, 31 July 2023

1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THEN QUALITY COUNCIL FOR TRADES AND OCCUPATIONS

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Quality Council for Trades and Occupations (QCTO) set out on pages 84 to 117, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow 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 QCTO as of 31 March 2023 and its financial performance and cash flow for the year then ended in accordance with the standards of Generally Recognised Accounting Practise (GRAP) and the requirements of the Public Management Act of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standard on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general 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.

Other matter

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

National Treasury Instruction Note of 2022- 23: PFMA Compliance and Reporting Framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures and disclosed in the financial statements. The movement is respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of QCTO. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

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 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.

Responsibilities of the auditor-general for 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 annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to programme 2: occupational qualification management, assessment and certification; and programme 3: occupational qualification quality assurance presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- 2.2.1 Number of prioritised occupational qualifications (full/part) recommended to SAQA for registration on the OQSF.
- 2.1.2 Number of historically registered qualifications recommended to SAQA for deactivation on the OQSF.
- 2.1.3 Number of skills programmes approved by QCTO council.
- 2.2.1 % of assessments for occupational qualifications and part qualifications quality assured against QCTO standards within 21 working days turnaround time.
- 2.2.2 % of assessments for historically registered qualifications quality assured against QCTO standards (excluding historical skills programmes and Nated) within 21 working days turnaround time.
- 2.2.3 Annual report on the implementation of the quality assurance plan for Nated Report 190/191 programmes.
- 2.2.4 % of assessment for QCTO development skills programmes quality assured against QCTO standards within 21 working days.
- 2.2.5 % of assessment quality partners (or assessment bodies) quality against QCTO compliance standards.
- 2.3.1 % of certificates issued within turnaround time (21 working days)
- 2.3.2 % of verification of authenticity of certificates requests received and verified within turnaround time (5 working days)
- 3.1.1 % of skills development providers accreditation applications for occupational qualification and, part qualifications processed within the turnaround time (90 working days)
- 3.1.2 % of skills development providers accreditation applications for skills programmes processed within the turnaround time (90 working days)
- 3.1.3. % of skills development providers accreditation applications for historically registered qualifications (trades, non- trades, Nated Report 190/191, skills programmes) processed within the turnaround time (90 working days)
- 3.1.4. % of assessment centre accreditation applications processed (accreditation granted or decline) within the turnaround time (30 working days)
- 3.2.1 % of accredited SDPs with implemented occupational qualifications and part qualifications quality assured according to QCTO standards.
- 3.2.2 % of accredited SDPs with implemented historically registered qualifications (excluding Nated Report 190/191 programmes) quality assured against QCTO compliance standards.

- 3.2.3 (a) % of accredited SDPs with implemented Nated Report 190/191 (e.g., N4-46) programmes quality assured against QCTO compliance standards.
 - 3.2.3 (b) Number of Nated Report 190/191 (e.g., N4-N6) Instructional offering exams sessions conducted at accredited SDPs, quality assured against QCTO standards.
 - 3.2.3 (c) Number of Nated Report 190/191 instructional offering marking sessions quality QCTO standards.
 - 3.2.4 % of accredited SDPs with skills programme implemented, quality assured against QCTO standards.
 - 3.2.5 % of accredited assessment centres conducting EISAs (external integrated summative assessments) quality assured against QCTO standards.
 - 3.3.1 Report on occupational qualifications, part qualifications and skills programmes in high standard offered by TVET college, CET colleges, universities and private skills development providers.
14. I evaluated the report performance information for the selected material performance indicators against the criteria developed from the performance report framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- The indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
 - The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
 - The target linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
 - The indicators are targets reported on in the annual performance report are the same as what was committed to in the approved initial planning documents.
 - The report performance information is presented in the annual performance report in the prescribed manner.
- There is adequate supporting evidence for the achievements reported and for the reasons provided for any over-or underachievement of targets.
16. I performed the procedures for the purpose of reporting material findings only.
17. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievement against planned targets and provides explanation for over- and underachievements. This information should be considered in the context of the material findings on the reported performance information.
20. The public entity plays a key role in delivering services to South Africa. The annual performance report includes the following services delivery achievements against planned targets:

	PLANNED TARGET	REPORT ACHIEVEMENT
Programme: 3 occupational qualifications management and certification Target achieved: 91.67% Budget spent: 86.32%		
Indicators 3.2.4 % of accredited SDPs with skills programmes implemented, quality assured against QCTO standards	17	11

Report on compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting is reasonable for the public entity's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation

in accordance with the finding engagement methodology of the Auditor – General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

23. Through an established AGSA process, I selected requirements in key legislation for compliance testing the are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understanding manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

25. The accounting authority is responsible for the information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped in programmes presented in the annual performance report that have been specifically reported on it this auditors report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any of assurance conclusion on it.

27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped in programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated based on the review performed the auditor is required to report if a material misstatement in the other information was identified. I have nothing to report in this regard.

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; my objective was not to express any form of assurance on it.
30. I did identify any significant deficiencies in internal control.

Auditor-General

Pretoria

26 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditors report, I also:

- Identify and assess the risks of material misstatement of the financial statement, 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 in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure 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 reasonable of accounting estimates and related disclosures made.
- Conclude on the appropriate of the use of the ongoing 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's that may cast significant doubt on the ability of the public entity 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 disclosure, and determine whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance.

- 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.
- I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and, where applicable, actions taken to eliminate threats or safeguards applied.

3. COMPLIANCE WITH LEGISLATION- SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows.

LEGISLATION	SECTION OR REGULATIONS
Public Financial Management Act 1 of 1999 (PFMA)	Section 51(1)(b)(i); 51(1)(b)(i); 51(1)(iii) Section 53(4) Section 57(b)
Preferential Procurement Policy Framework Act 2000	Section 1 Section 2(1)(a); 2(1)(b); 2(1)(f)
Preferential Procurement Regulations (PPR) 2017	Regulations 4 (1); 4(2) Regulations 5(1); 5(3); 5(6); 5(7) Regulations 6(1); 6(2); 6(3); 6(5); 6(6); 6(8) Regulations 7(1); 7(2); 7(3); 7(5); 7(6); 7(8) Regulations 8(2); 8(5) Regulations 9(1) Regulations 10(1); 10(2) Regulations 11(1); 11(2)
Preferential Procurement Regulation (PPR) 2022	Regulations 3(1) Regulations 4(1); 4(2); 4(3); 4 (4) Regulations 5(1); 5(2); 5(3); 5(4)
Treasury Regulations issued in terms of PFMA, 1999	TR 8.2.1; 8.2.2 TR 16A3; 16A6.3(a); 16A6.3(b); 16A6.3(c) TR 16A6.1; 16A6.2(a) & (b); 16A6.3(a)-(c); 16A6.4; 16A6.5; 16A6.6 TR 16A7.1; 16A7.3; 16A7.6; 16A7.7 TR 16AB.3; 16A8.4 TR 30.1.1; 30.1.3(a); 30.1.3(b); 30.2.1 TR 312.1.2(c); 31.2.1.; 31.3.3 TR 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act 132 of 2004 (PRECCA)	Section 34(1)
SCM Instruction note 02 of 2021-22	Par.3.2.1; 3.2.4; 3.3.1
PFMA SCM Instruction note 03 of 2021-22	Par.4.1; 4.3; 4.4 Par.7.1
PFMA Instruction note 03 of 2021-22	Definition Par. 4.2(b)
National Treasury Instruction 4A of 2016-17	Par.6
National Treasury Instruction 07 of 2017-18	Par.4.3
National Treasury Instruction 01 of 2021-22	Par. 4.1

LEGISLATION	SECTIONS OR REGULATIONS
National Treasury Instruction 01 of 2021-22	Par.3.4
Practice Note 5 of 2009-10	Par.3.3
National Treasury Instruction 5 of 2020-21	Par.3.2; 3.7 Par.4.8; 4.9 Par.5.3
Second Amendment National Treasury Instruction 5 Of 2020-21	Par. 1
Erratum National Treasury Instruction Note 5 of 2020-21	Par.1;2
Treasury Instruction Note 11 of 2020-21	Par.3.1;3.4(b);3.9

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note(s)	2023 '000	2022 '000
Assets			
Current Assets			
Receivables from exchange transactions	4	2 436	2 192
Receivables from non-exchange transactions	5	-	39
Cash and cash equivalents	6	96 661	86 854
		99 097	89 085
Non-Current Assets			
Property, plant and equipment	7	12 966	15 372
Intangible assets	8	29	199
		12 995	15 571
Total Assets		112 092	104 656
Current Liabilities			
Operating lease liability	9	536	1 304
Payables from exchange transactions	10	3 531	1 458
Payable from non-exchange transactions	11	9 705	8 250
Unspent conditional grants and receipts	12	1 324	859
Provisions	13	7 642	6 804
Total Liabilities		22 738	18 675
Total Net Assets		89 354	85 981

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2023 '000	2022 '000
Revenue			
Revenue from exchange transactions			
Rendering of services		5 979	5 933
Interest received		6 962	3 841
Other income		83	171
Total revenue from exchange transactions		13 024	9 945
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		124 653	95 373
Conditional grant (NSF)		2 246	4 645
Total revenue from non-exchange transactions		126 899	100 018
Total revenue	14	139 923	109 963
Expenditure			
Personnel costs	15	(72 596)	(69 237)
Depreciation and amortisation		(5 014)	(7 321)
Gain/(Loss) on disposal of assets		20	(567)
Administrative expenses	16	(58 957)	(45 313)
Total expenditure		(136 547)	(122 438)
Surplus (deficit) for the year		3 376	(12 475)

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus / deficit '000	Total net assets '000
Balance at 01 April 2021	98 458	98 458
Surplus for the year	(12 475)	(12 475)
Total changes	(12 475)	(12 475)
Balance at 01 April 2022	85 983	85 983
Deficit for the year	3 376	3 376
Total changes	3 376	3 376
Balance at 31 March 2023	89 359	89 359

CASH FLOW STATEMENT

	Note(s)	2023 '000	2022 '000
Cash flows from operating activities			
Receipts			
Sale of goods and services		5 979	5 649
Grants		127 364	97 990
Interest income		6 962	3 918
Other receipts		82	5 459
		140 387	113 016
Payments			
Employee costs		(71 719)	(69 301)
Suppliers		(56 443)	(47 017)
		(128 162)	(116 318)
Net cash flows from operating activities	17	12 225	(3 302)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(2 439)	(3 581)
Proceeds from disposal of assets		20	-
Net cash flows from investing activities		(2 419)	(3 581)
Net increase/(decrease) in cash and cash equivalents		9 807	(6 883)
Cash and cash equivalents at the beginning of the year		86 854	93 737
Cash and cash equivalents at the end of the year	6	96 661	86 854

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

	Approved budget '000	Adjustments '000	Final Budget '000	Actual amounts on comparable basis '000	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	3 400	-	3 400	5 979	2 579	1
Other income	-	-	-	103	103	2
Interest received - investment	1 200	-	1 200	6 962	5 762	3
Total revenue from exchange transactions	4 600	-	4 600	13 044	8 444	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	124 653	-	124 653	127 364	2 711	4
Total revenue	129 253	-	129 253	140 408	11 155	
Expenditure						
Personnel	(73 868)	-	(73 868)	(71 719)	2 149	5
General Expenses	(51 385)	-	(51 385)	(56 443)	(5 058)	6
Total expenditure	(125 253)	-	(125 253)	(128 162)	(2 909)	
Operating surplus	4 000	-	4 000	12 246	8 246	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

	Approved budget '000	Adjustments '000	Final Budget '000	Actual amounts on comparable basis '000	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	(4 000)	-	(4 000)	(2 439)	1 561	7
Total Assets	(4 000)	-	(4 000)	(2 439)	1 561	
Net Assets	-	-	-	9 807	9 807	

The revenue was not budgeted for in the prior years as QCTO was still establishing the budget baseline and this will inform the budget projections in subsequent years.

The major part of the revenue consists of statutory grants received from ETDP SETA as part of skill development in the organisation and is not budgeted as it fluctuates annually.

Interest was earned from excess funds saved in the ABSA account and investment in SARB CPD account as the SETA Levy Grant is received at the beginning of the year. The bulk of excess funds were transferred into the SARB CPD account at the beginning of the financial year to earn better interest. The SARB has been continuously increasing the interest rate which resulted in above anticipated interest income.

The difference is due to SETA Levy Grant received in advance in the current year.

The spending on personnel expenditure is below the budget due to resignation and late replacements of the executives posts that left the employ of the organisation in the current year.

The general expenses have been spend over projected budget due to implementation of projects that were approved in the prior years but were paid for in the current financial year. The National Treasury approved budget roll-over for prior year commitments.

The capital expenditure was underspent due to some tenders which had to be readvertised for the second time after no suitable suppliers was appointed. These could not be finalised in the new financial year end.

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATIONS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 GOING CONCERN ASSESSMENT

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. The QCTO conducts a comprehensive going concern assessment at financial year end.

1.4 MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In the application of the QCTO accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

Due to the nature of the QCTO, management considers property, plant and equipment and intangible assets to be non-cash generating assets and therefore impairment of cash-generating assets are not applicable.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

ACCOUNTING POLICIES (continued)

Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the following factors to determine the optimum useful life expectation for each of the individual items of infrastructure, plant and equipment.

- Expected usage of the asset. Usage is assessed by reference to the assets expected capacity or physical output;
- Expected physical wear and tear, which depends on operational factors such as the number of shifts for which the asset is to be used, the repair and maintenance programme and the care and maintenance of the asset while idle;
- Technical or commercial obsolescence arising from changes or improvement in production or from a change in the market demand for the product or service output of the asset, and
- Exit policy of the entity.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

ACCOUNTING POLICIES (continued)

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight-line	5 - 10 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	3 - 5 years
Computer equipment	Straight-line	3 - 5 years
Leasehold improvements	Straight-line	5 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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 depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item

of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment

ACCOUNTING POLICIES (continued)

annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	2 - 5 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 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 and financial liabilities are recognised in QCTO's statement of financial position when QCTO becomes party to the contractual provisions of the instrument. Financial assets and liabilities are recognised initially at fair value. In the case of financial assets or liabilities not classified at fair value through the statement of financial performance,

transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added to the fair value. Financial assets are derecognised if the QCTO's contractual rights to the cash flows from the financial assets expire or if QCTO transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the QCTO's obligations specified in the contract expire or are discharged or cancelled.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at fair value
Receivables from non-exchange transactions	Financial asset measured at fair value
Cash and cash equivalents	Financial asset measured at fair value

ACCOUNTING POLICIES (continued)

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at fair value
Payables from non-exchange transactions	Financial liability measured at fair value

1.9 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

1.11 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

ACCOUNTING POLICIES (continued)

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.12 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Short-term employee benefits

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

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity 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, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

ACCOUNTING POLICIES (continued)

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.13 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity has a present obligation 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 can be made of the obligation.

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

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

Contingent liabilities are possible obligations that arise from past events and 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 QCTO.

Contingent assets and contingent liabilities are not recognised but disclosed in the notes to the financial statements. Contingencies are disclosed in note 20.

1.14 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

The QCTO also recognises commitments where Council has authorised but not yet contracted for (tenders not yet finalised)

1.15 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

ACCOUNTING POLICIES (continued)

- 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.

Interest

Revenue arising from the use by others of entity assets yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.16 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or

gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue

ACCOUNTING POLICIES (continued)

equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

1.17 INVESTMENT INCOME

Investment income is recognised on a time-proportion basis using the effective interest method.

1.18 COMPARATIVE FIGURES

Budget information in accordance with GRAP 24 has been provided in the Statement of Comparison of Budget Against Actual Amounts for the current financial year only, and forms part of the annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable,

and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.19 UNAUTHORISED EXPENDITURE

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 FRUITLESS AND WASTEFUL EXPENDITURE

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

ACCOUNTING POLICIES (continued)

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.22 BUDGET INFORMATION

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 Apr 2022 to 31 Mar 2023.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the Statement of Financial Performance and budget have been included in the annual financial statements. Refer to Statement of comparison of budget and actual amounts.

1.23 RELATED PARTIES

The entity operates in a economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequences 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

ACCOUNTING POLICIES (continued)

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.24 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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2. CHANGES IN ACCOUNTING POLICY

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year accounting policies unless explicitly stated otherwise.

3. NEW STANDARDS AND INTERPRETATIONS

3.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	737	488
Accrued income	51	17
Prepaid expenses	1 648	1 687
	2 436	2 192

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2023, 142 662 (2022: 42 744) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	143	43
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5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

SARS PAYE	-	2
Sundry debtors	-	37
	-	39

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Bank balances	7 054	3 397
Short-term deposits	89 607	83 457
	96 661	86 854

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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7. PROPERTY, PLANT AND EQUIPMENT

	2023			2022		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Furniture and fittings	5 391	(4 167)	1 224	5 391	(3 862)	1 529
Motor vehicles	3 705	(2 704)	1 001	3 705	(2 530)	1 175
Office equipment	3 091	(2 972)	119	3 036	(2 967)	69
Computer equipment	8 569	(4 181)	4 388	6 216	(2 218)	3 998
Leasehold improvements	14 733	(8 499)	6 234	14 733	(6 132)	8 601
Total	35 489	(22 523)	12 966	33 081	(17 709)	15 372

Reconciliation of property, plant and equipment - 2023

	OPENING BALANCE	ADDITIONS	DEPRECIATION	TOTAL
Furniture and fittings	1 529	-	(305)	1 224
Motor vehicles	1 175	-	(174)	1 001
Office equipment	69	73	(23)	119
Computer equipment	3 998	2 366	(1 976)	4 388
Leasehold improvements	8 601	-	(2 367)	6 234
	15 372	2 439	(4 845)	12 966

Reconciliation of property, plant and equipment - 2022

	OPENING BALANCE	ADDITIONS	DISPOSALS	DEPRECIATION	TOTAL
Furniture and fittings	2 154	-	(2)	(623)	1 529
Motor vehicles	1 836	-	-	(661)	1 175
Office equipment	225	23	(4)	(175)	69
Computer equipment	1 805	3 558	(78)	(1 287)	3 998
Leasehold improvements	11 240	-	-	(2 639)	8 601
	17 260	3 581	(84)	(5 385)	15 372

Pledged as security

No part of property, plant and equipment was pledged as security.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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8. INTANGIBLE ASSETS

	2023			2022		
	COST / VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Computer software	2 971	(2 942)	29	2 971	(2 772)	199

Reconciliation of intangible assets - 2023

	OPENING BALANCE	AMORTISATION	TOTAL
Computer software	199	(170)	29

Reconciliation of intangible assets - 2022

	OPENING BALANCE	DISPOSALS	AMORTISATION	TOTAL
Computer software	2 619	(484)	(1 936)	199

Pledged as security

No part of intangible assets was pledged as security.

9. OPERATING LEASE LIABILITY

Current liabilities	(536)	(1 304)
Operating lease - as lessee (expense)		
- within one year	(6 245)	(9 883)
- in second to fifth year inclusive	(634)	(5 916)
	(6 879)	(15 799)

Photocopiers

The QCTO leases 7 photocopy machines from Konica Minolta for a period of 36 months, effective from 01 March 2023 to 28 February 2026. The monthly lease payments are R26,428 with no annual escalation. The organisation is also expected to pay 6.66 cents per page for black copies and 28.03 cents per page for colour copies during the duration of the contract

Office space

The QCTO extended its original 5 years lease agreement for office space and parking with Izandla Property Fund by a further 5 years effective from 01 November 2018 to 31 October 2023. The entity shall have the right, upon giving the Landlord written notice by 28 February 2023, to renew the lease for a further period of 5 years. The monthly lease payments for the office space is R573,028 with an annual escalation of 6.25% and R93,661 parking space with an annual escalation of 5% per annum.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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10. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	1 663	765
Sundry payables	2	-
Accrued expenses	1 866	693
	3 531	1 458

11. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

Payment received in advance	9 694	8 239
Other payables	11	11
	9 705	8 250

12. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Movement during the year		
Balance at the beginning of the year	859	216
Additions during the year	2 711	5 288
Income recognition during the year	(2 246)	(4 645)
	1 324	859

The National Skills Fund conditional grants were awarded to QCTO for Digitisation of paper based data and Accreditation of skills development service providers projects. The projects duration was initially estimated to be for three years starting from January 2019 and will be concluded in the 2022/23 financial year.

13. PROVISIONS

Reconciliation of provisions - 2023

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	TOTAL
Leave pay provision	2 383	415	(332)	2 466
Bonus provision	4 421	6 817	(6 062)	5 176
	6 804	7 232	(6 394)	7 642

Reconciliation of provisions - 2022

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	TOTAL
Leave pay provision	3 005	-	(161)	(461)	2 383
Bonus provision	3 862	5 808	(5 249)	-	4 421
	6 867	5 808	(5 410)	(461)	6 804

Leave is calculated based on leave days outstanding at year end and quantified in terms of total cost of employment per employee. The service bonus and performance bonus provisions relate to 13th cheque as well as approved performance bonus commitments due to QCTO employees at financial year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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The payment of the performance bonuses is at the discretion of the Council after considering recommendations of the Moderation Committee. The 13th cheque is payable on the birth month of employees or prorata bonus gets paid when the employee leaves the employment of the entity.

14. REVENUE

Rendering of services**	5 979	5 933
Other income***	83	171
Interest received	6 962	3 841
Government grants & subsidies	124 653	95 373
Conditional Grant (NSF)	2 246	4 645
	139 923	109 963

** *Rendering of services include an amount of R3,958,821 for certification services and an amount of R2,020,000 for accreditation services.*

*** *Other income consists of grants received from ETDP SETA for skills development levy.*

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	5 979	5 933
Other income	83	171
Interest received	6 962	3 841
	13 024	9 945

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue Transfer revenue		
Government grants & subsidies	124 653	95 373
Conditional grant (NSF)	2 246	4 645
	126 899	100 018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
15. PERSONNEL COSTS			
Basic salaries		47 308	46 923
Provision for bonus		6 817	5 809
Medical aid - company contributions		1 577	1 549
UIF		206	204
COIDA		52	193
SDL		617	592
Leave pay provision		422	(462)
Defined contribution plans		5 942	5 907
Car allowance		110	110
Housing benefits and allowances		1 203	801
Other benefits**		7 942	7 611
Termination benefits		400	-
		72 596	69 237

** Included in Other benefits is cash allowance portion of employees benefits and non-pensionable allowance.

16. ADMINISTRATIVE EXPENSES

Advertising	1 480	618
Audit fees - External auditors	1 644	1 371
Audit fees - Internal auditors	723	838
Bank charges	52	46
Cleaning	1 573	1 636
Conferences and seminars	1 272	40
Consulting and professional fees**	13 801	11 281
Council & committees remuneration	1 254	1 193
IT expenses	5 799	7 042
Insurance	483	222
Lease rentals	9 280	9 282
Legal fees	4 676	2 149
Motor vehicle expenses	496	224
Postage and courier	19	6
Printing and stationery	752	605
Recruitment costs	266	85
Repairs and maintenance costs***	1 945	874
Security expenses	180	171
Staff welfare and refreshments	144	116
Subscriptions and membership fees	231	207
Cellphone and data expenses	783	958
Training	382	546
Travel, subsistence and accommodation	7 731	2 452
Water & electricity expenses	3 826	3 305
Other expenses	165	46
	58 957	45 313

** Included in the Consulting and professional fees are fees related to Verifiers and Monitors.

*** Repairs and maintenance costs consists of contracted services incurred to repair and maintain property, plant and equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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17. CASH GENERATED FROM (USED IN) OPERATIONS

Surplus (deficit)		3 376	(12 475)
Adjustments for:			
Depreciation and amortisation		5 014	7 321
Movements in operating lease assets and accruals		(768)	(290)
Movements in provisions		838	(63)
(Proceeds)/Loss on disposal of assets		(20)	568
Changes in working capital:			
Receivables from exchange transactions		(245)	(1 557)
Receivables from non-exchange transactions		38	-
Payables from exchange transactions		2 073	(63)
Payables from non-exchange transactions		1 455	2 614
Unspent conditional grants and receipts		465	643
		12 225	(3 302)

18. FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments

2023

Financial assets

	AT FAIR VALUE	TOTAL
Trade receivables from exchange transactions	737	737
Cash and cash equivalents	96 661	96 661
	97 398	97 398

Financial liabilities

	AT FAIR VALUE	TOTAL
Trade payables from exchange transactions	1 630	1 630

2022

Financial assets

	AT FAIR VALUE	TOTAL
Trade receivables from exchange transactions	488	488
Trade receivables from non-exchange transactions	39	39
Cash and cash equivalents	86 854	86 854
	87 381	87 381

Financial liabilities

	AT FAIR VALUE	TOTAL
Trade payables from exchange transactions	765	765

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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Fair values

As indicated above QCTO's financial instruments consist mainly of cash and cash equivalents and Trade 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.

Financial assets and financial liabilities are recognised on the entities Statement of Financial Position when the entity becomes party to the contractual provisions of the instrument. The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value. The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Accounts receivables

Trade and other receivables are stated at fair value, which approximates their fair value due to the relatively short-term maturity of these financial assets

Accounts payable

Trade and other payables are stated at fair values, which approximates their fair value due to the relatively short-term maturity of these financial liabilities.

Financial instrument risk

In the course of the QCTO operations it is exposed to market, interest rate, credit, and liquidity risk. However the impact of these risks are immaterial to the financial instruments of the QCTO. The risk management process relating to each of these risks is discussed below:

Market risk

Foreign exchange risk

The QCTO does not initiate any transactions with international parties and is therefore not exposed to any exchange risk due to currency fluctuations. All transactions are denominated in South African Rand with local vendors.

Price risk

The QCTO is not exposed to price or commodity price risk as they do not carry any investments. Cash includes cash with commercial banks. These cash equivalents are subject to an insignificant risk of change in value.

Interest rate risk

The QCTO does not carry any significant interest bearing assets, therefore the revenue and operating cash flows are not substantially dependent on changes in market interest rates. As the QCTO does not have significant interest bearing liabilities, the expense and cash flows are not substantially dependent on changes in market interest rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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The QCTO exposure to interest rate risk and effective interest rates on financial instruments at reporting date are as follows:

31 March 2023

	EFFECTIVE INTEREST RATE '000	SUBJECT TO INTEREST RATE MOVEMENT: FLOATING '000	NON-INTEREST BEARING '000	TOTAL '000
Current financial assets				
Cash and cash equivalents	4.17%	96 661	-	96 661
Receivables from exchange	-	-	2 436	2 436
	4,00 %	96 661	2 436	99 097
Current financial liabilities				
Trade and other payables	-	-	13 236	13 236
	-	-	13 236	13 236

31 March 2022

Current financial assets				
Cash and cash equivalents	4.09%	86 854	-	86 854
Receivables from exchange transactions	-	-	2 231	2 231
	4,00 %	86 854	2 231	89 085
Current financial liabilities				
Trade and other payables	-	-	9 708	9 708
	-	-	9 708	9 708

Credit risk

Financial assets, which potentially subject the QCTO to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously.

The QCTO management limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury.

The QCTO does not have any material exposure to any individual or counter-party. The QCTO's concentration of credit risk is limited to the industry in which the QCTO operates. No events occurred in the industry during the financial year that may have an impact on the recovery of Trade and other receivables.

The funds maximum exposure to credit risk is equal to the total value of the following assets:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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2023

	RATED	NON-RATED	TOTAL
Cash and cash equivalents	96 661	-	96 661
Receivables from exchange	2 436	-	2 436
	99 097	-	99 097

2022

Cash and cash equivalents	86 854	-	86 854
Receivables from exchange	2 231	-	2 231
	89 085	-	89 085

Liquidity risk

The QCTO manages liquidity risk through proper management of working capital, capital expenditure and actual versus forecasted cash flows. Adequate reserves and liquid resources are also maintained.

Forecast liquidity reserve as of 31 March 2023 is as follows:

	2024 '000	2025 '000	2026 '000
Opening balance for the period	96 661	-	-
Operating proceeds	146 193	153 426	161 162
Operating outflow	(242 854)	(153 426)	(161 162)
Closing balance for the period	-	-	-

The table below analyses the financial liabilities that will be settled on a net basis into the relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date:

31 March 2023	LESS THAN 1 YEAR '000	TOTAL '000
Trade and other payables	13 203	13 203

31 March 2022	LESS THAN 1 YEAR '000	TOTAL '000
Trade and other payables	9 708	9 708

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
19. COMMITMENTS			
Approved and contracted commitments			
Capital commitments		166	-
Operational expenditure commitments		11 741	16 683
		11 907	16 683
Authorised capital expenditure			
Not yet contracted for and authorised by council			
• Property, plant and equipment		9 500	5 000
• Intangible assets		4 500	3 000
		14 000	8 000
Total capital commitments		14 000	8 000
Not yet contracted for and authorised by council			
Authorised operational expenditure			
Not yet contracted for and authorised by members			
• Expenditure		40 400	22 500
Total operational commitments			
Not yet contracted for and authorised by council		40 400	22 500
Total commitments			
Total commitments			
Authorised capital expenditure		14 166	8 000
Authorised operational expenditure		52 141	39 183
		66 307	47 183

20. CONTINGENCIES

Contingent liabilities

2021-22

A dispute has been declared between the entity and a service provider who donated the Management Information System (MIS) after the entity terminated the Service Level Agreement due to non-compliance with some prescripts of PFMA, the service provider is seeking damages of R7,057,402. The entity's lawyers and management are still considering the success likelihood of the action against the entity and the case should be resolved within the next two years.

Three former QCTO employees have taken the entity to the Commission for Conciliation, Mediation and Arbitration (CCMA) contesting their dismissals. Should all three succeed with their cases, the QCTO is likely to pay an estimated R1,024,826 however management and its legal representatives have determined that the likelihood of the QCTO losing all the cases is very minimal.

The QCTO applied to National Treasury for the retention of its accumulated cash surplus of R70,410,000 after the finalisation of the external audit. The approval to retain the accumulated surplus was obtained on the 17 October 2022.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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2022-23

A dispute has been declared between the entity and a service provider who donated the Management Information System (MIS) after the entity terminated the Service Level Agreement due to non-compliance with some prescripts of PFMA, the service provider is seeking damages of R7,228,494 and R334,407. The entity's lawyers and management are still considering the success likelihood of the action against the entity and the case should be resolved within the next financial year.

A dispute has been declared between the entity and a service provider who renders the internet and telephone services and the service provider is seeking an amount of R191,647 which is disputed by the entity as it relates to goods and services not yet rendered or delivered. The entity has initiated the process of terminating the SLA due to poor performance and the service provider was served with a notice of termination.

Two former QCTO employees have taken the entity to the Commission for Conciliation, Mediation and Arbitration (CCMA) contesting their dismissals. Should all two succeed with their cases, the QCTO is likely to pay an estimated R1,233,257 however management and its legal representatives have determined that the likelihood of the QCTO losing all the cases is very minimal.

The QCTO will apply to National Treasury for the retention of its accumulated cash surplus estimated to R76,359,000. This will be done after the finalisation of the external audit.

21. RELATED PARTIES

Relationships Controlling body	Department of Higher Education and Training (DHET)
Entities under the department	Agriculture Sector Education and Training Authority (AGRISETA)
	Banking Sector Education and Training Authority (BANKSETA)
	Culture, Arts, Tourism, Hospitality and Sports Educational and Training Authority (CATHSSETA)
	Chemical Industries Education Training Authority (CHIETA)
	Construction Education and Training Authority (CETA)
	Education, Training and Development Practices (ETDP)
	Energy Sector Education and Training Authority (EWSETA)
	Financial and Accounting Services Sector Education and Training Authority (FASSET)
	Food and Beverages Manufacturing Industry Sector Education and Training Authority (FOODBEV)
	Fibre Processing Manufacturing Sector Education and Training Authority (FP&M SETA)
	Health and Welfare Sector Education and Training Authority (HWSETA)
	Insurance Sector Education and Training Authority (INSETA)
	Local Government Sector Education and Training Authority (LGSETA)
	Media, Advertising, Information and Communication Technologies Sector Education and Training Authority (MICT)
	Mining Qualifications Authority (MQA)
	Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)
	Public Services Sector Education and Training Authority (PSETA)
	Safety and Security Sector Education and Training Authority (SASSETA)
	Services Sector Education and Training Authority (SERVICES SETA)
	Transport Education and Training Authority (TETA)
	Wholesale and Retail Sector Education and Training Authority (W&RSETA)
	National Skills Authority (NSF)
	South African Qualification Authority (SAQA)
	National Student Financial Aid Scheme (NSFAS)
	Council for Higher Education (CHE)
	Public TVET Colleges controlled by DHET

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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Related party balances

Amounts included in Payables from non-exchange transactions regarding related parties

NSF*		1 324	859
W&R SETA**		9 694	8 239

* NSF outstanding balance relates to conditional grants received for NSF projects, The funds were received in advance to pay for project expenses so the balance is for funds not yet utilised relating to the projects. The funds are refundable to NSF if the projects are completed under the budget.

** W&R SETA balance relates to 2022/2023 SETA Levy grant that was paid in the current financial year and is not refundable.

Related parties transactions - SETA levies grants received

AGRISETA	3 276	2 131
BANKSETA	5 826	3 951
CATHSSETA	2 262	1 899
CETA	3 660	2 891
CHIETA	3 660	2 502
ETDP SETA	4 050	2 686
EWSETA	2 019	1 439
FASSET	3 861	2 543
FOODBEV SETA	2 801	1 853
FP&M SETA	2 208	1 689
HWSETA	3 546	2 499
INSETA	3 777	2 537
LGSETA	5 197	3 502
MERSETA	9 191	6 886
MICT SETA	6 203	4 436
MQA	8 655	5 497
PSETA	27	37
SASSETA	2 446	1 630
SERVICES SETA	10 231	7 829
TETA	5 013	3 685
W&R SETA	8 239	5 622
Transfer from Department of Higher Education and Training		
DHET	28 506	27 630

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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Remuneration of management

Management class: Council members

2023

Name	COUNCIL AND OR COMMITTEE FEES	REIMBURSABLE EXPENSES	TOTAL
Mr T Dlamini (Chairperson)**	-	-	-
Ms S Antoni (Acting Chairperson)**	113	2	115
Mr Z Mfecane	69	2	71
Ms S Mlotshwa	88	37	125
Ms R Motjoadi	41	1	42
Mr J Soobramoney	133	2	135
	444	44	488

** Ms S Antoni was appointed as the Acting Chairperson of Council up until on 10 November 2022 when the Minister of DHET appointed Mr T Dlamini as the new Chairperson of Council.

2022

Name	COUNCIL AND OR COMMITTEE FEES	REIMBURSABLE EXPENSES	TOTAL
Ms S Antoni (Acting Chairperson)	89	2	91
Mr S Zungu	14	-	14
Mr Z Mfecane	70	2	72
Ms S Mlotshwa	99	3	102
Ms R Motjoadi	70	2	72
Mr J Soobramoney	132	4	136
	474	13	487

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand	Note(s)	2022 '000	2021 '000
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Management class: Executive management

2023

Name	Designation	BASIC SALARY	SERVICE AND OR PERFORMANCE BONUS	PENSION	OTHER BENEFITS	TOTAL
Mr V Naidoo	Chief Executive Officer	1 549	228	200	480	2 457
Mr I Gumbochuma**	Chief Financial Officer	600	123	59	313	1 095
Ms N Madilonga**	Chief Director:	1 071	129	110	396	1 706
Mr T Lata	Corporate Services and Acting Chief Financial Officer Chief Director: OQM	1 071	137	110	369	1 687
Mr E Mbuwe	Chief Director: OQA	1 178	137	122	303	1 740
Ms A Solomon	Director: Governance	905	109	93	318	1 425
Mr S Mkhonza	Director: OQM	892	60	91	308	1 351
Ms A Van Rensburg	Director:	865	127	89	305	1 386
Mr T Ramhewa	Certification Director: ICT	853	103	109	276	1 341
Ms D Kemp	Director: Assessment	815	64	84	304	1 267
Mr R Macpherson	Director:	815	54	84	286	1 239
Mr T Gqili	Quality Assurance Director: Non-Engineering	509	54	50	153	766
Mr M Marfalane	Director: Research & Analysis	815	98	84	286	1 283
Mr T Matjabe	Director: Accreditation	-	-	-	-	-
Mr J April	Director: Office of the CEO	815	98	84	286	1 283
Mr S Davids	Director: Engineering	76	-	8	35	119
		12 829	1 521	1 377	4 418	20 145

** Mr Gumbochuma resigned as the Chief Financial Officer with effect from the 1st of November 2022 and Ms N Madilonga was appointed as the Acting Chief Financial Officer from the 1st of November 2022 until 31 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand thousand		Note(s)	2022 '000	2021 '000		
2022						
Name	Designation	BASIC SALARY	SERVICE AND OR PERFORMANCE BONUS	PENSION	OTHER BENEFITS	TOTAL
Mr V Naidoo	Chief Executive Officer	1 762	297	188	22	2 269
Mr I Gumbochuma	Chief Financial Officer	1 244	93	99	46	1 482
Ms N Madilonga	Chief Director: Corporate	1 300	97	104	47	1 548
Mr T Lata	Chief Director: OQM	1 140	97	104	207	1 548
Mr E Mbuwe	Chief Director: OQA	1 371	105	118	50	1 644
Ms A Solomon	Director: Governance	1 030	176	88	43	1 337
Mr S Mkhonza	Director: OQM	989	67	86	68	1 210
Ms A Van Rensburg	Director: Certification	985	168	84	42	1 279
Mr T Ramhewa	Director: ICT	1 035	77	104	20	1 236
Ms D Kemp	Director: Assessment	943	37	79	51	1 110
Mr R Macpherson	Director: Quality Assurance	990	-	79	41	1 110
Mr T Gqili	Director: Non-Engineering	967	-	85	56	1 108
Mr M Marfalane	Director: Research & Analysis	990	95	79	41	1 205
Mr T Matjabe	Director: Accreditation	651	-	52	69	772
Mr J April	Director: Office of the CEO	990	95	79	41	1 205
Mr S Davids	Director: Engineering	1 059	-	91	44	1 194
-		17 446	1 404	1 519	888	21 257

22. CHANGE IN ESTIMATE PROPERTY, PLANT AND EQUIPMENT

The useful life of certain plant, plant and equipment was initially estimated to be 3 to 10 years . In the current period management have revised their estimate to 15 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R384 907.

23. GOING CONCERN

The Annual Financial Statements have been prepared on the basis of 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 management has done a going concern assessment of the entity as at 31 March 2023 and based on the available information, management is satisfied that the entity will continue as a going concern in the foreseeable future.

24. EVENTS AFTER THE REPORTING DATE

There were no subsequent events after the reporting date.

25. BUDGET DIFFERENCES

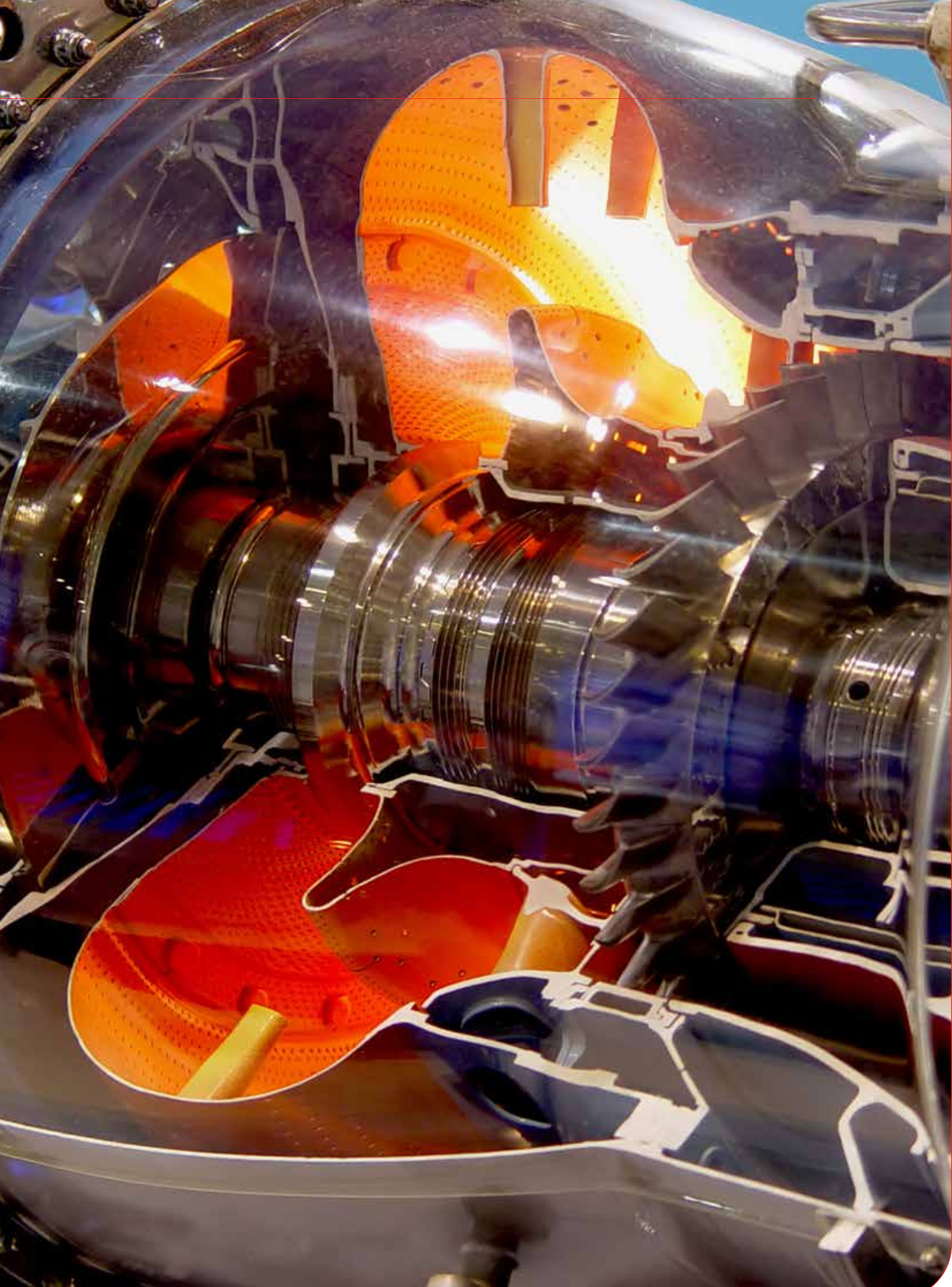
Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The Annual Financial Statements of the entity are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The Annual Financial Statements differ from the budget, which is approved on the cash basis.

In addition, adjustments to amounts in the Annual Financial Statements for timing differences associated with the continuing appropriation and differences in the entities covered were made to express the actual amounts on a comparable basis to the final approved budget. The amounts of these adjustments are identified in the Statement of Comparison of Budget and Actual Amounts.

26. B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.



LIST OF ABBREVIATIONS / ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AGRISETA	Agriculture Sector Education and Training Authority
APP	Annual Performance Plan
AQP	Assessment Quality Partner
ARC	Audit and Risk Committee
BANKSETA	Banking Sector Education and Training Authority
BIG	Business Innovation Group
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sports Educational and Training Authority
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CET	Community Education and Training
CETA	Construction Education and Training Authority
CIE	Catholic Institute of Education
CFO	Chief Financial Officer
CHE	Council on Higher Education
CHIETA	Chemical Industries Education Training Authority
CLC	Community Learning Centre
COIDA	Compensation for Occupational Injuries and Diseases Act
CPD	Corporation for Public Deposits
DBE	Department of Basic Education
DG	Director-General
DHET	Department of Higher Education and Training
DSI	Department of Science and Innovation
ECD	Early Childhood Development
ECM	Enterprise Content Management
ECSA	Engineering Council of South Africa
EISA	External Integrated Summative Assessment

ETQA	Education and Training Quality Assurance body
ETDP	Education, Training and Development Practices
ERRP	Economic Recovery and Reconstruction Plan
ERRSS	Economic Reconstruction and Recovery Skills Strategy
EXCO	Executive Committee of Council
ESS	Employee Self Service
EWSETA	Energy and Water Sector Education and Training Authority
FOODBEV	Food and Beverages Sector Education and Training Authority
FASSET	Financial and Accounting Services Sector Education and Training Authority
FASB	Financial Accounting Standards Boards
FLC	Foundational Learning Competence
FP&M	Fibre Processing and Manufacturing Sector Education and Training Authority
FWOW	Future World of Work
GENFETQSF	General and Further Education and Training Qualifications Sub-Framework
GRAP	Generally Recognised Accounting Practice
GRC&S	Governance, Risk, Compliance and Secretariat
HEI	Higher Education Institution
HET	Higher Education and Training
HEQSF	Higher Education Qualifications Sub-Framework
HR	Human Resources
HWSETA	Health and Welfare Sector Education and Training Authority
ICT	Information and Communications Technology
IT	Information Technology
INSETA	Insurance Sector Education and Training Authority
ISA	International Standards on Auditing
LGSETA	Local Government Sector Education and Training Authority
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MHESI	Minister of Higher Education, Science and Innovation
MICT	Media, Advertising, Information and Communication Technologies
MIS	Master Information System

MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSP	Master Systems Plan
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MQA	Mining Qualifications Authority
N/A	Not applicable
NAMB	National Artisan Moderation Body
NATED	National Education Report 191 (Part 2) N4 to N6
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NGO	Non-Governmental Organisations
NLRD	National Learner Records Database
NPO	Non-Profit Organisation
NPPSET	National Plan for Post School Education and Training
NQF Act	National Qualifications Framework Act (No. 67 of 2008)
NSF	National Skills Fund
NSA	National Skills Authority
NSDP	National Skills Development Plan
OFO	Organising Framework for Occupations
OHS	Occupational Health and Safety
OQACC	Occupational Qualifications Assessment and Certification Committee
OQM	Occupational Qualifications Management
OQSF	Occupational Qualifications Sub-Framework
PAYE	Pay As You Earn
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
PSET	Post-School Education and Training
PSETA	Public Services Sector Education and Training Authority
PYEI	Presidential Youth Employment Initiative

QA	Quality Assurance
QAP	Quality Assurance Partner
QAOQC	Quality Assurance of Occupational Qualifications Committee
QAF	Quality Assurance Function
QC	Quality Council
QCTO	Quality Council for Trades and Occupations
QDF	Qualifications Development Facilitator
R&A	Research and Analysis
RPL	Recognition of Prior Learning
SASSETA	Safety and Security Sector Education and Training Authority
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SCM	Supply Chain Management
SDA	Skills Development Act (No 97 of 1998)
SDL	Skills Development Levy
SDP	Skills Development Provider
SETA	Sector Education and Training Authority
SIP	Strategic Integrated Projects
SLA	Service Level Agreement
SOP	Standard Operating Procedure
TETA	Transport Education and Training Authority
TVET	Technical and Vocational Education and Training
UIF	Unemployment Insurance Fund
Umalusi	Council for Quality Assurance in General and Further Education and Training
WIL	Work Integrated Learning
WPPSET	White Paper on Post School Education and Training
W&RSETA	Wholesale and Retail Sector Education and Training Authority
YES	Youth Employment Service

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