

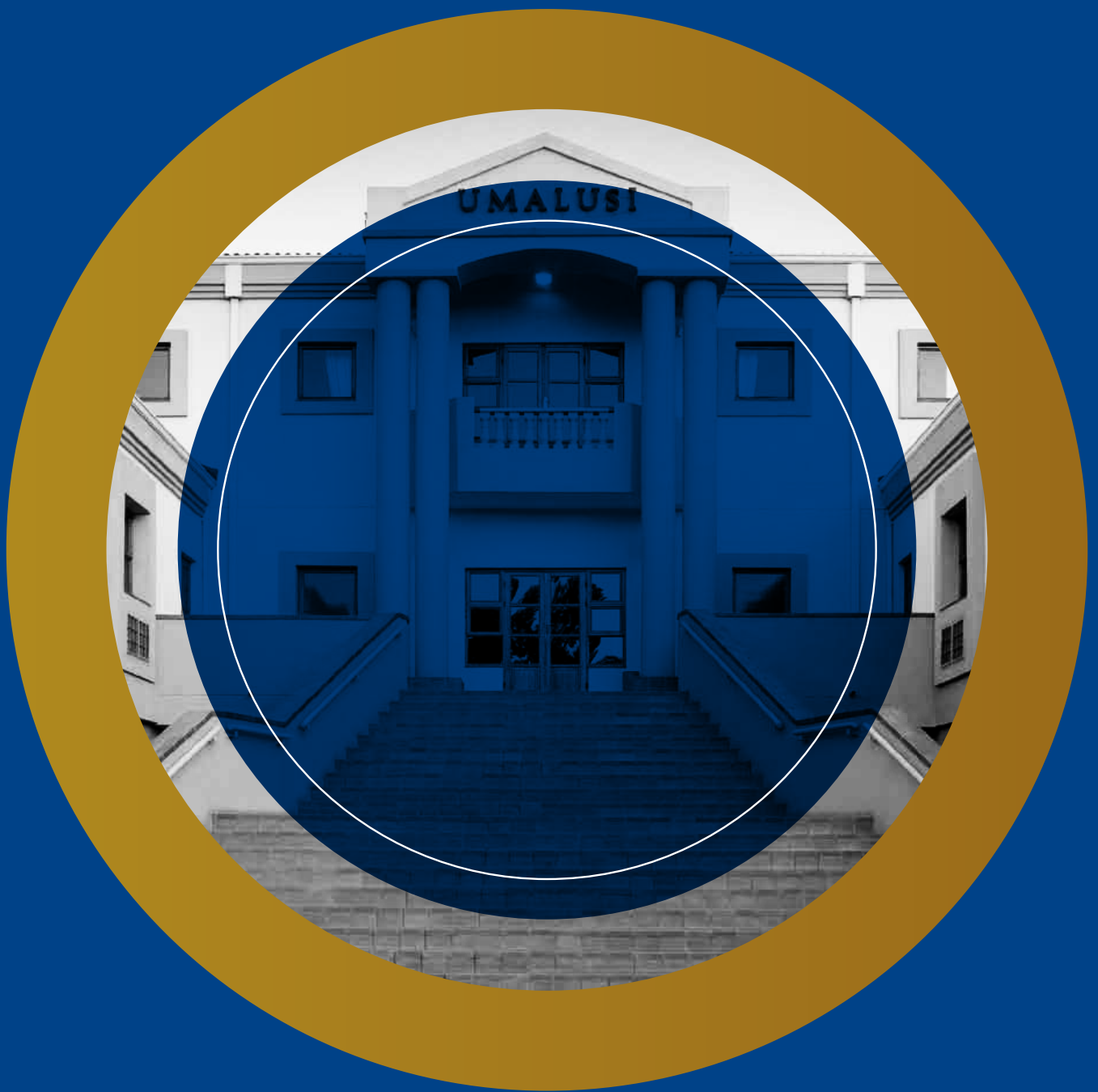
UMALUSI 2024-2025 ANNUAL REPORT



UMALUSI



Council for Quality Assurance in
General and Further Education and Training



The 2024/25 Annual Report of Umalusi is presented to the Minister of Basic Education in accordance with section 55(1) (d) of the Public Finance Management Act (Act No. 1 of 1999) and Chapter 28 of the Treasury Regulations. The report reflects the performance information outputs, the human resources management outputs as well as the financial performance of Umalusi.

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UMALUSI



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GENERAL INFORMATION

1. GENERAL INFORMATION

Registered Name:	Umalusi – Quality Council for General and Further Education and Training
Physical Address:	37 General van Ryneveld Street Persequor Technopark Pretoria 0020
Telephone Number:	+27 (12) 349 1510
Email Address:	info@umalusi.org.za
Website Address:	www.umalusi.org.za
External Auditors:	PricewaterhouseCoopers (PwC)
Bankers:	Absa Bank Limited



2. LIST OF ABBREVIATIONS/ACRONYMS

ABET	Adult Basic Education and Training	GEMS	Government Employees Medical Scheme
ACC	Accreditation Committee of Council	GENFET	General and Further Education and Training
AET	Adult Education and Training	GENFETQA	General and Further Education and Training Quality Assurance
AIPF	Associated Institutions Pension Fund	GETCA	General Education and Training Certificate for Adults
APP	Annual Performance Plan	GETC	General Education and Training Certificate
ASC	Assessment Standard Committee	GFET	General and Further Education and Training
BSC	Balanced Score Card	GFETQSF	General and Further Education and Training Qualifications Sub-framework
CAPS	Curriculum Assessment Policy Statement	GNU	Government of National Unity
CAT	Credit Accumulation and Transfer / Common Assessment Task	HCM	Human Capital Management
CAT	Credit Accumulation and Transfer	ICASS	Internal Continuous Assessment
CEO	Chief Executive Officer	ICT	Information and Communication Technology
CFO	Chief Financial Officer	ICTOC	ICT Oversight Committee of Council
CGICT	Corporate Governance of ICT	IEB	Independent Examinations Board
CHE	Council on Higher Education	IS	Independent Schools
DBE	Department of Basic Education	ISAT	Integrated Summative Assessment Task
DHET	Department of Higher Education and Training	IT	Information Technology
DPISA	Department of Public Service and Administration	KCSE	Kenyan Certificate of Secondary Education
E&A	Evaluation and Accreditation	LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex and Asexual Plus
ECD	Early Childhood Development	LoI	Letter of Intent
ECESWA	Examination Council of Eswatini	MANEB	Malawi National Examinations Board
ECoL	Examinations Council of Lesotho	MIS	Management Information System
ECZ	Examinations Council of Zambia	MQA	Mining Qualifications Authority
EE	Employment Equity	MTDP	Medium-Term Development Plan
ELRC	Education Labour Relations Council	MTEF	Medium-Term Expenditure Framework
ERP	Enterprise Resource Planning	MTSF	Medium-Term Strategic Framework
EWP	Employee Wellness Programme	MTT	Ministerial Task Team
EXCO	Executive Committee	NAPTOSA	National Professional Teachers' Organisation of South Africa
FEDSAS	Federation of Governing Bodies of South African Schools	NASCA	National Senior Certificate for Adults
FET	Further Education and Training	NATU	National Teachers' Union
F&SCM	Finance and Supply Chain Management	NCHE	Malawi National Council for Higher Education
FY	Financial Year	NC(V)	National Certificate (Vocational)
GBV	Gender-Based Violence	NCS	National Curriculum Statement
GBVF	Gender-Based Violence and Femicide	NDP	National Development Plan
GCIS	Government Communication and Information System	NEAIC	National Examinations and Assessment Irregularities Committee
GEC	General Education Certificate		

2. LIST OF ABBREVIATIONS/ACRONYMS *contd.*

NEPA	National Education Policy Act	SADTU	South African Democratic Teachers' Union
NLRD	National Learners' Records Database	SAOU	Suid-Afrikaanse Onderwysersunie
NPA	National Protocol for Assessment	SAQA	South African Qualifications Authority
NPC	National Planning Commission	SASA	South African Schools Act
NPOTT	NATED Phase-Out Task Team	SBA	School-Based Assessment/Site-Based Assessment
NQF	National Qualifications Framework	SC(a)	Senior Certificate (amended)
NSC	National Senior Certificate	SCM	Supply Chain Management
OS	Operating System	SIR	Statistical Information and Research
PAF	Policy Advisory Forum	SITA	State Information Technology Agency
PAT	Practical Assessment Task	SLA	Service Level Agreement
PEA	Post-Examination Analysis	SMS	Senior Management Service
PED	Provincial Education Departments	SOP	Standard Operating Procedure
PESTEL	Political, Economic, Social, Technological, Environmental and Legal	SWOT	Strengths, Weaknesses, Opportunities and Threats
PFMA	Public Finance Management Act	TIDs	Technical Indicator Descriptions
POPI	Protection of Personal Information	ToR	Terms of Reference
PR & Comms	Public Relations and Communications	TVET	Technical and Vocational Education and Training
PwC	PricewaterhouseCoopers	UIF	Unemployment Insurance Fund
PwD	People with Disabilities	URCS	Umalusi Resulting and Certification System
QAA: PSQ	Quality Assurance of Assessment: Post-School Qualifications	USAf	Universities South Africa
QAA: SQ	Quality Assurance of Assessment: School Qualifications	WIL	Work Integrated Learning
QAM	Quality Assurance and Monitoring		
QCC	Qualifications, Curriculum and Certification		
QCTO	Quality Council for Trades and Occupations		
Q&R	Qualifications and Research		
RFQ	Request for Quotation		
RMC	Risk Management Committee		
RPL	Recognition of Prior Learning		
S&G	Strategy and Governance		
S&T	Subsistence & Traveling		
SAAEA	Southern Africa Association for Educational Assessment		
SACAI	South African Comprehensive Assessment Institute		
SACE	South African Council for Educators		
SADC	Southern African Development Community		





3. FOREWORD BY THE **CHAIRPERSON**

It is my honour to contribute this foreword to the 2024/25 Annual Report. The year under review marks the final year of the Medium-Term Strategic Framework (MTSF) period. This Annual Report therefore provides the ideal opportunity for the Council to appraise the work of Umalusi over the MTSF.

The role of Council in exercising its fiduciary duties is to monitor Umalusi's organisational performance, its governance arrangements and its financial management processes. In alignment with the provisions of the National Qualifications Framework (NQF) Act and the General and Further Education and Training Quality Assurance Act, 2001 (GENFETQA Act), as amended, and as part of the responsibility of the Umalusi Council to strengthen internal governance systems with the aim of steering the organisation to the achievement of its vision, the Council strengthened its leadership in governance through the filling of vacancies in committees of Council, including the Qualifications Standards Committee (QSC).

At its September 2024 and February 2025 meetings the Council approved several organisational policies which were reviewed by management to strengthen governance and administration in the organisation. As Umalusi Council, we constantly review the organisation's policy framework to strengthen Umalusi' internal governance and quality assurance systems. Notably, Umalusi finalised the Articulation Policy for Qualifications in General and Further Education and Training. This policy intends to ensure that institutions work together to develop learning pathways and that the learning they offer is linked to larger learning pathways. In addition, Umalusi submitted

comments to the Draft Regulations for the Accreditation of Private Assessment Bodies assessing Qualifications registered on the General and Further Education and Training Qualifications Sub-framework, offered at private colleges.

As per the gazette signed by the Minister of Higher Education and Training, 2025 is the last year of the issuance of NATED N3 certificates. This is because the NATED N1-N3 programmes entered a phase-out period on 1 January 2024, with 31 December 2023 being the last date of candidate registrations on the programmes. This means that, from now onwards, Umalusi no longer accepts new applications from private institutions to offer these programmes.

To ensure that the institutions concerned have the capacity to deliver qualifications registered on the Umalusi sub-framework and are doing so to the expected standards and quality, Council considered and approved the recommendations of the Accreditation Committee of Council (ACC) in relation to accreditation applications by independent schools and private colleges. Regarding assessments, Council is satisfied that Umalusi properly conducted quality assurance of all assessment processes throughout the year to ensure that teaching, learning and assessment are done in accordance with the standards set for each qualification. During the year under review, the Executive Committee (EXCO) of Umalusi Council approved the release of results for all examinations conducted by public and private assessment bodies and found no systemic irregularities that would have compromised the overall integrity of the examinations.

Council appreciates the fact that Executive Management continued to make Umalusi's quality assurance processes available for public scrutiny. The number of benchmarking visits and the observations, particularly of the process of standardisation of examination marks, by national and continental organisations, bear testimony to Umalusi's commitment to quality in education provision. The engagements enabled the visiting institutions to learn about the Quality Councils landscape in South Africa while at the same time helping Umalusi to enhance its own quality assurance frameworks. Hosting the 40th Association for Educational Assessment in Africa (AEAA) Conference in August 2024 helped Umalusi to learn from other systems in the world regarding best ways of conducting quality assurance in a diverse general and further education and training system.

As a public institution, Umalusi has aimed to fulfil its legislative obligation by responding to the relevant national imperatives as encapsulated in the National Development Plan (NDP). While Umalusi is not directly responsible for the achievement of targets set in the NDP, I am delighted to report that Umalusi, as a quality council, played an important role towards the achievement of Priority 3 (Education, Skills and Health) of the MTSF, and specifically, Target 3, which calls for "Improved quality of learning outcomes in the intermediate and senior phases, with inequalities reduced by 2024 (youths better prepared for further studies and the world of work beyond Grade 9)" and Target 4: "More learners obtain a National Senior Certificate (NSC) with excellent marks in critically important subjects by 2024 (contributing towards a prosperous and equitable South Africa)".

In terms of its own accountability to Government, the Umalusi Council appeared on numerous occasions before the Portfolio Committee on Basic Education and the Portfolio Committee on Higher Education, Science and Technology, to report on its work as the accounting authority. Other strategic engagements included a meeting with the Minister of Basic Education, Ms Siviwe Gwarube, meetings with the Director-General of the Department of Basic Education (DBE) and senior officials of the Department of Higher Education and Training (DHET).

Whereas the twelve newly approved employment positions were filled during the year to alleviate workload pressures, the Council acknowledges that the developments of an expanded mandate together with very tight fiscal environment has impeded Umalusi's ability to perform optimally. This has resulted in Umalusi having to reprioritise some of its areas of strategic focus.

Council commends Umalusi management and staff for the improved audit outcomes, progressing from unqualified audit opinion with material findings in some of the previous reporting periods, to an unqualified audit opinion without material findings (clean audit) for the year

under review. This confirmed the earlier assurance given to Council by Executive Management that the organisation would redouble its efforts to regaining the momentum of achieving clean audit outcomes.

Undoubtedly, Umalusi fulfilled its mandate within the relevant legal framework. I thank the Executive and Senior Management team of Umalusi under its CEO, Dr Mafu Rakometsi, as well as all the staff of Umalusi for the sterling work that they continue to do. Their efforts in giving effect to the strategic direction of the organisation are appreciated. Similarly, the work of this Council was inspired by our collective desire to see Umalusi succeeding in the fulfilment of its vision, which in essence is also the vision of the Council.

I would like to conclude by expressing my sincere thanks and appreciation to:

- All members of the Umalusi Council, who have given so freely and so generously of their time, energy and wisdom to ensure that Umalusi remains a trusted authority in fostering high educational standards in General and Further Education and Training.
- The Minister of Basic Education, Ms Siviwe Gwarube, the former Minister of Higher Education and Training, Dr Nobuhle Nkabane and the Portfolio Committees of Basic Education and of Higher Education and Training, for entrusting us with the responsibility to serve the country and for their unwavering support and guidance to the Umalusi Council.
- The Director-General of Basic Education, Mr Mathanzima Mveli, and the Director-General of Higher Education and Training, Dr Nkosinathi Sishi, whose critical support for the work of Umalusi is a source of inspiration and strength.
- All the members of the various committees of Umalusi Council for contributing excellently to the work of Umalusi.
- All the staff of Umalusi, under the leadership of the CEO, Dr Mafu S Rakometsi, and his executive management team for their continued dedication, loyalty, professionalism and hard work. Their commitment to service excellence and dedication fills us with pride.

Since this annual report is produced at the time when the DHET has the new Minister and Deputy Minister, Umalusi Council would like to welcome Honourable Mr Buti Kgwaridi Manamela as the new Minister and his Deputy, Honourable Dr Nomusa Dube-Ncube. Council wishes them success and looks forward to working closely with them in their new roles.



Professor Yunus Ballim
Umalusi Council Chairperson
 Date: 31 July 2025



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

I am pleased to present this 2024/25 Annual Report of Umalusi. Being the last year of the implementation of the 2020-2024 Strategic Plan, this is an opportunity for Umalusi to reflect on the work done during the period: March 2024 to April 2025.

In pursuance of its mandate of managing its sub-framework of qualifications, Umalusi conducted quality assurance of qualifications, curriculum, certification, accreditation and assessments while at the same time conducting research to inform quality assurance frameworks. These are aspects of the mandate assigned to Umalusi by the amended National Qualifications Framework (NQF) Act and the General and Further Education and Training Quality Assurance Act, 2001 (GENFETQA Act).

To support the implementation of the mandate, management reviewed various policies to strengthen governance administration in the organisation. The policies include the following aspects: communication, management of information and communication assets, information security, remuneration, leave, travel, supply chain management and performance information management. In addition, the Council approved the policy register.

The review and revision of these policies was undertaken to ensure that organisational policies remain current. Below I reflect briefly on the work undertaken by different business units of Umalusi.

Qualifications, certification and verification

As part of the management of the sub-framework, Umalusi finalised the Articulation Policy for Qualifications in General and Further Education and Training. This policy aims to ensure that institutions work together to develop learning pathways. Umalusi printed close to 1 370 000 certificates between April 2024 and March 2025. Concerning verifications, the organisation verified 361 015 certificates of learning achievements. Through the online certificate replacement system, Umalusi issued 12 698 certificates.

Evaluation and accreditation

Evaluation, accreditation and monitoring of independent and private education institutions ensures that institutions that offer Umalusi qualifications have the capacity and systems in place to provide appropriate teaching and learning. During the year under review, the Accreditation Committee of Council made 167 recommendations with respect to applications by independent schools and private colleges.

Quality assurance of assessment

To ensure the credibility of the qualifications, Umalusi subjected the April, mid-year, August and end of year national examinations to its legislated quality assurance processes, which include the moderation of question papers, moderation of institution-based assessment tasks, monitoring of the writing of examinations, monitoring of the marking of the examinations, verification of

the marking process in sampled subjects, and the standardisation of learner results. Based on the outcomes of its quality assurance processes and to confirm that any assessment leading to certification was of the required standard across all qualifications, Umalusi approved the release of candidates' results.

On the other hand, the Council approved placing the quality assurance and certification of NC(V) levels 2&3 under a phase-out period while the internalisation of the examinations process is finalised.

Research

To ensure improvement of the quality and standards in the sub-framework, Umalusi conducted a study to compare the quality and standards of the current set of NSC examinations with the previous ones to maintain and improve assessment standards in a selection of subjects across three assessment bodies. Similarly, another study was conducted to determine gaps in the existing NSC examination guidelines across the assessment bodies. Feedback on the research was provided to the relevant department and assessment body.

Umalusi hosted a successful 40th Association for Educational Assessment in Africa (AEAA) Conference themed "Reimagining educational assessment in the age of multiple dimensions of learning in a global society" on 19-22 August 2024 in Cape Town. The conference, which was officially opened by the Minister of Basic Education, Ms Siviwe Gwarube, was attended by over 300 delegates from various parts of the continent and other parts of the world. Connected to this, Umalusi published conference proceedings titled: "Proceedings of the 40th AEAA Annual Conference on Reimagining Educational Assessment in the Age of Multiple Dimensions of Learning in a Global Society".

Stakeholder engagement and community development

Umalusi is directed by its founding acts to inform stakeholders about its sub-framework. In accordance with that, Umalusi hosted various delegations on different occasions during study visits to South Africa. The delegations included, the Malawi National Council for Higher Education (NCHE), the Examinations Council of Lesotho (ECOL), the Ministry of Education and Training in the Kingdom of Lesotho, the Examinations Council of Zambia (ECZ) and Malawi National Examinations Board (MANEB). The other bodies that attended are Universities South Africa (USAf), South African Qualifications Authority (SAQA), South African Council for Educators (SACE) and teacher unions.

Aside from the benchmarking visits, Umalusi interacted with different stakeholders on the organisational mandate through exhibitions, roadshows, webinars and workshops. The stakeholders included universities, school teachers

and principals, teacher unions, education policy makers, and the public in general.

In response to the low literacy levels of primary school learners, as revealed by the 2021 Progress in International Reading Literacy Study results, Umalusi contributed to the Nelson Mandela International Day by spending 67 minutes at four primary schools in four different provinces handing over donated books and talking about the importance of reading.

All these initiatives have contributed much towards deepening the understanding of stakeholders about the mandate of Umalusi.

General financial review of the public entity

The successes reported on above were enabled by the total revenue of Umalusi rising to R216 million in 2024/25 from R206 million in the previous financial year. The bulk of the revenue consists of a baseline grant from the Department of Basic Education (DBE) while the other is made up of revenue generated from accreditation, certification and verification fees. As CEO I am fully aware of the responsibility bestowed on me to ensure that public resources are used judiciously to benefit the people of our country. On that score, I owe it to Umalusi Council and the people of South Africa to exercise prudence in managing the resources provided to Umalusi to discharge its legislative mandate.

Procurement of goods and services

Umalusi procures goods and services in a manner that ensures fairness, integrity, cost-effectiveness and efficiency in the delivery of such services. Three internal structures, Bid Specification Committees (BSC), Bid Evaluation Committees (BEC) and the Bid Adjudication Committee (BAC) continued to deal with matters relating to the sourcing of goods and services. The membership of these structures comprises senior managers and executive managers who serve on a rotational basis. The advantage of this approach for me as the CEO is that management remains accountable to the Accounting Authority, Council, in how the organisation dispenses its financial resources. Another safeguard in the organisation's Supply Chain Management (SCM) processes is that the CEO does not form part of any procurement processes. This is to avoid potential conflicts of interests.

Information Communication Technology (ICT) environment

Umalusi has procured an advanced cloud-based financial management solution (Sage Intacct) to enhance its financial management processes and reporting with a view to improving audit outcomes. On the other hand, the organisation successfully implemented a faster internet connection through VOX. This development means that Umalusi achieved a reduction of 83% in internet costs.

Staffing matters

Umalusi has a total staff complement of 151 positions. During the reporting period, Umalusi maintained a vacancy rate of below 10% to ensure optimal staffing levels aligned with the organisation's mandate.

Notable achievements

Having met 14 of its 15 targets, Umalusi attained an achievement rate of 93.3%. This was not an insignificant achievement given the complexities that beset the general and further education and training sector. Umalusi continued with its determination to manage state resources economically and transparently, in accordance with the provisions of the Public Finance Management Act (PFMA).

Words of appreciation

During previous years, Umalusi committed itself to doubling its effort in regaining its momentum of achieving clean audit outcomes. I am pleased to report that the organisation stayed true to its commitment by achieving clean audit outcomes. I would like to thank the staff members of Umalusi for their hard work, commitment and dedication. It is management's firm belief that without committed and dedicated staff, Umalusi could not have been able to successfully deliver on its mandate while at the same time achieving clean audit outcomes. Their maintenance of a high standard of professional ethics

and their dedication and service to the organisation leaves us in their debt. I am indebted to their dedication, commitment and loyalty to the organisation.

I am hugely indebted to the Minister of Basic Education, Ms Siviwe Gwarube; the Director-General of the DBE, Mr Mathanzima Mwel; the former Minister of Higher Education and Training, Dr Nobuhle Nkabane; as well as the Director-General of Department of Higher Education and Training (DHET), Dr Nkosinathi Sishi, for their support.

As always, my heartfelt gratitude goes to the Umalusi Council, under the chairpersonship of Professor Yunus Ballim, and members of the different committees of Council for their continued support of the mandate of Umalusi. I wish them continued success in the future as we work together to build a stronger South African education system, for everyone.

I wish everyone continued success in our journey of the next five years leading to 2030.



Dr MS Rakometsi
Umalusi Chief Executive Officer

Date: 31 July 2025



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

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report is consistent with the Annual Financial Statements audited by PricewaterhouseCoopers Inc.
- The annual report is complete, accurate and is 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 a public entity.
- The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The accounting authority is responsible for establishing, and implementing a system of internal control 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 Umalusi for the financial year ended 31 March 2025.

Yours faithfully



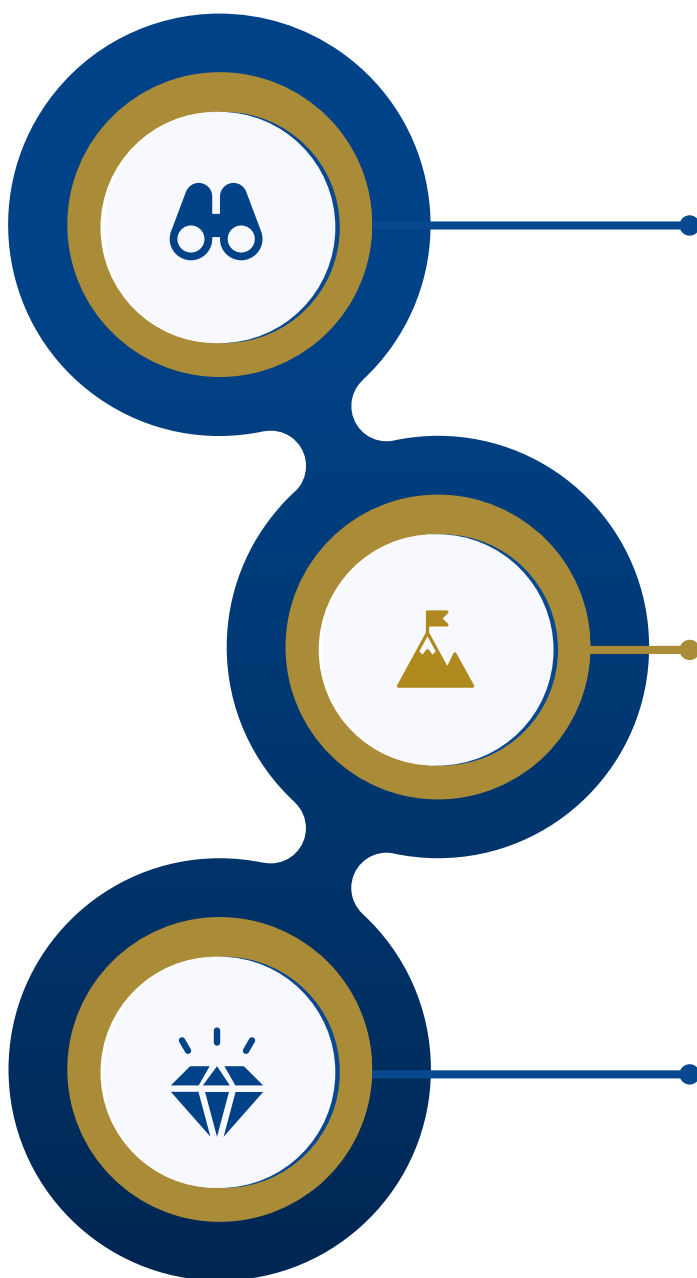
Dr MS Rakometsi
Chief Executive Officer
Date: 31 July 2025



Professor Yunus Ballim
Umalusi Council Chairperson
Date: 31 July 2025



6. STRATEGIC OVERVIEW



6.1 Vision

A trusted authority in fostering high education standards in general and further education and training.

6.2 Mission

We are the quality council that assures education standards in the General and Further Education and Training Qualifications Sub-framework.

6.3 Values

Transparency: Our processes are available for public scrutiny.

Professionalism: Umalusi employees provide services and interact with stakeholders with great rapport.

Integrity: Umalusi conducts its operations honestly and ethically.

Reliability: Umalusi uses consistent procedures in its quality assurance processes.

Impartiality: We maintain equal treatment of standards for all stakeholders.

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandate

Umalusi is the Quality Council for general and further education and training. It is obliged to embrace the provisions of Chapter 2 of the Constitution of the Republic of South Africa, 1996. In terms of section 29(1), everyone has a right to a basic education, including adult basic and further education and training. In relation to this section, Umalusi is obligated to ensure the quality assurance of the provision of education within the General and Further

Education and Training Qualifications Sub-framework (GFETQSF) to citizens. This obligation is fulfilled to ensure the realisation of the requirements stipulated in section 29(3), which promotes the establishment of private education institutions that:

- do not discriminate on the basis of race;
- are registered with the state; and
- maintain standards that are not inferior to standards at comparable public education institutions.

7. LEGISLATIVE AND OTHER MANDATES *contd.*

7.2 Legislative and Policy Mandate

National Qualifications Framework (NQF) (Act No. 67 of 2008)

The NQF Act, 2008 provides for the establishment of Umalusi as a quality council that is responsible for the development and management of a sub-framework of qualifications at levels 1 - 4 of the National Qualifications Framework (NQF) and related quality assurance processes. In terms of paragraph 27 of the NQF Act, Umalusi must do the following in respect of quality assurance:

- develop and implement policy for quality assurance;
- ensure the integrity and credibility of quality assurance; and
- ensure that quality assurance as is necessary for the sub-framework is undertaken.

The General and Further Education and Training Quality Assurance (GENFETQA) (Act No.58 of 2001), as amended in 2008

The GENFETQA Act, as amended, assigns Umalusi responsibility for quality assurance of general and further education and training. Umalusi was established with the purpose of maintaining norms and standards in general and further education and training. Its mandate is confirmed as follows:

- developing and maintaining a sub-framework of qualifications for general and further education and training;
- quality assurance of all exit-point assessments of such qualifications;
- certification of learner achievements;
- quality assurance of private education institutions; and
- accreditation of private assessment bodies.

Concerning the quality assurance of private provision and assessment, Umalusi is required to undertake the following accreditation responsibilities as outlined in Chapter 3, 23(2):

- develop policy, which must be regulated by the Minister, for the accreditation of private assessment bodies other than departments of education, and accredit assessment bodies accordingly;
- develop policy and criteria for the quality assurance of private education institutions;
- affirm, or withdraw, accreditation status of the private education institution concerned.

7.3 Other Legislation

- National Education Policy (NEPA) (Act No. 27 of 1996);
- The South African Schools (SASA) (Act No. 84 of 1996), as amended; and
- Continuing Education and Training (Act No. 16 of 2006), as amended.

7.4 Institutional Policies and Strategies

Umalusi's qualifications' sub-framework must be read in conjunction with the following policy documents:

- The General and Further Education and Training Qualifications Sub-framework: 2014;
- Guidelines on Strategy and Priorities for the NQF 2011/2012: Minister of Higher Education and Training;
- National policies governing existing qualifications (including their assessment) that are currently certificated by Umalusi;
- Standard setting and quality assurance of the General and Further Education and Training Qualifications Sub-framework: Umalusi, 2014;
- Policy documents and guidelines pertaining to the National Senior Certificate (NSC), Senior Certificate (amended) (SC(a)), General Education and Training Certificate (GETC), National Certificate (Vocational) (NC(V)), National Education Report 190/191 (NATED) and the National Curriculum Statement (NCS); and any other qualifications on the General and Further Education and Training Qualifications Sub-framework (GFETQSF), as applicable;
- Council policies and directives on the conduct, administration and management of the assessments for qualifications on the GFETQSF;
- The regulations pertaining to qualifications on the GFETQSF developed by the Department of Basic Education (DBE) and gazetted by the Minister on assessment and certification, including those promulgated by provincial legislatures;
- The policy and criteria for the development, registration and publication of qualifications on the GFETQSF;
- The Policy for the Re-issue of National Certificates;
- The Recognition of Prior Learning (RPL) Policy;
- Treasury Regulation;
- Any other relevant legislation related to the various education and training sectors in which Umalusi is mandated to work.

8. ORGANISATIONAL STRUCTURE

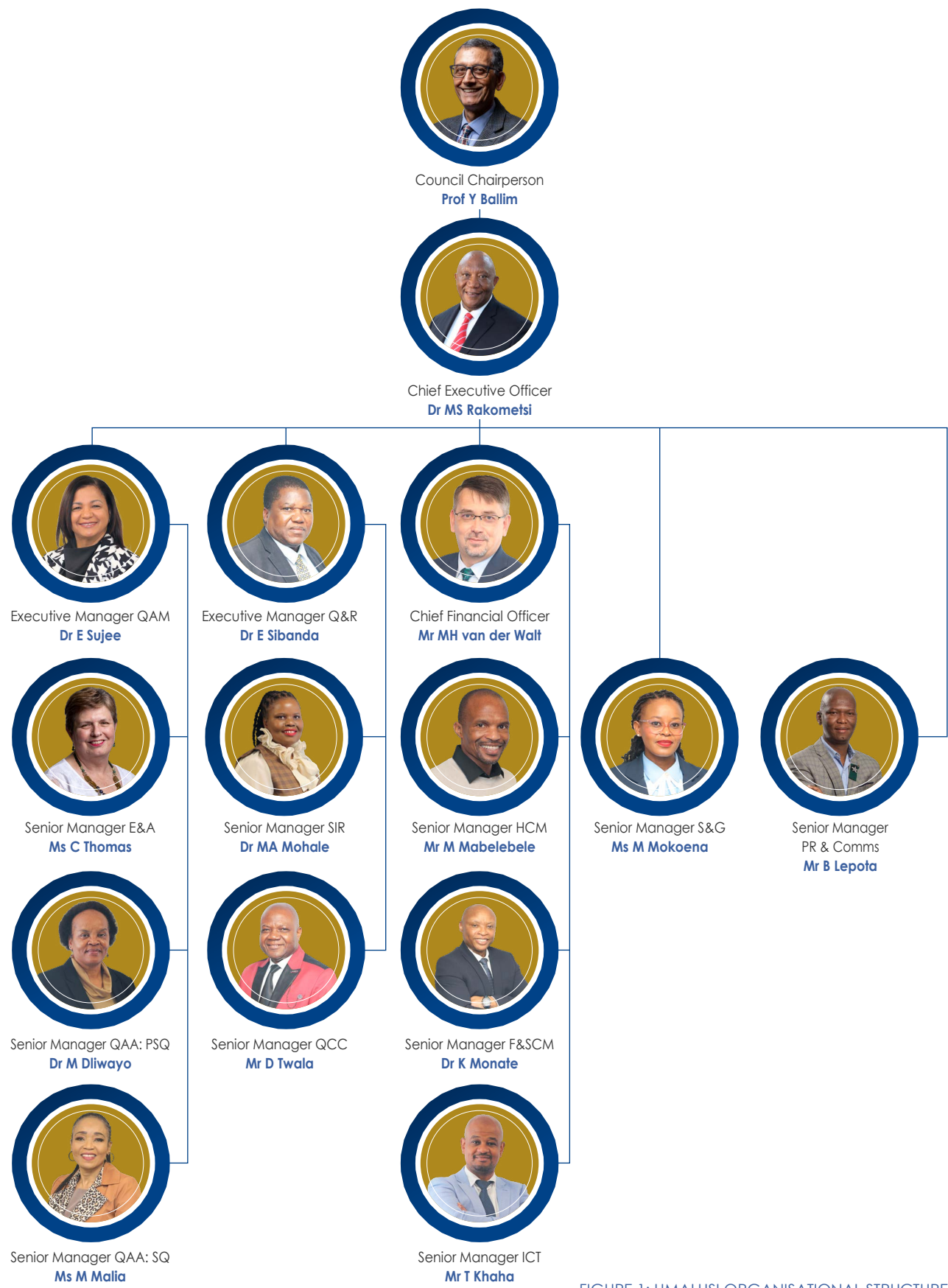


FIGURE 1: UMALUSI ORGANISATIONAL STRUCTURE



PERFORMANCE INFORMATION

1. AUDITOR’S REPORT: PREDETERMINED OBJECTIVES

The external auditor performed the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, no material findings being reported under the *Report on the Audit of the Annual Performance Report* heading of the Auditor’s Report.

Refer to page 103 of the Auditor’s Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 Service Delivery Environment

The financial year 2024/25 marks the last year of the implementation of the 2020-2024 Strategic Plan. During this period, the organisation’s strategic focus was on the following:

- a. Reviewing the quality assurance approach;
- b. Reviewing, evaluating and appraising qualifications submitted for registration on the GFETQSF;
- c. Providing input to the legislative framework;
- d. Intensifying research on educational developments linked to the sub-framework to innovate and advise the appropriate Ministers of Education; and
- e. Increasing advocacy to communicate accurate and relevant messages to all stakeholders on issues relating to qualifications in our sub-framework.

In managing quality assurance in general and further education and training sector, the following sections present our performance for the current year as well as previous years of the Medium-Term Strategic Framework (MTSF).

Certification and verification of qualifications
Qualifications

At the core of Umalusi’s mandate is the management of qualifications on the GFET sub-framework. This work involves appraisal of new and existing qualifications and providing the necessary advice to the relevant assessment bodies on the existing or new curricula, standards and policy criteria for implementing these qualifications.

For the year under review, Umalusi has finalised the Articulation Policy for Qualifications in General and Further Education and Training. This policy aims to ensure that institutions work together to develop learning pathways and that the learning they offer is linked to larger pathways. The policy has been submitted to the gazette for implementation.

Certification

Certification is the formal recognition of a qualification awarded to the successful candidate. Umalusi printed and issued 1 368 667 certificates from 1 April 2024 to 31 March 2025. This number includes the overflow of the 2023 cohort of candidates who were not certified in the 2023/24 financial year and candidates from six Provincial Education Departments (PED) who wrote the June 2024 examination. This is reflected in Figure 2.

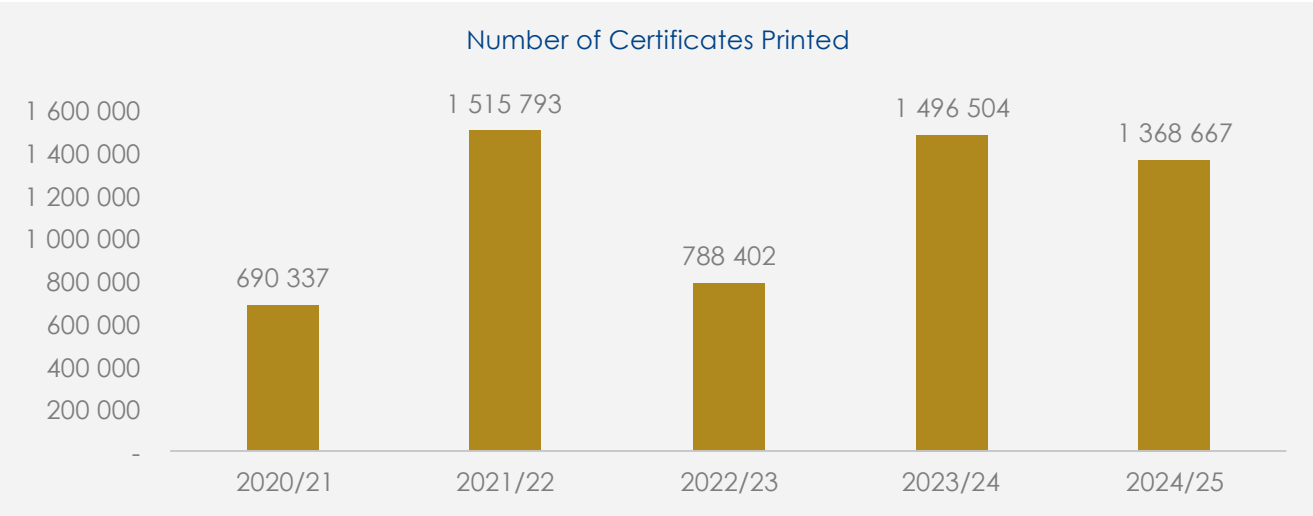


FIGURE 2: CERTIFICATION STATISTICS FOR 2020/21 - 2024/25

It is also important to note that the process to develop certification directives for the General Education Certificate (GEC) is linked to the approval of the GEC and subsequent registration on the NQF. At this stage, the process has not commenced, pending the finalisation of the GEC Policy. Umalusi has no control over this activity as it is dependent on the DBE to finalise and submit the GEC Policy.

Verification

Verification is the process followed by Umalusi to establish the authenticity of qualifications/certificates. Verification includes authenticating the qualification documents and verifying that the qualification was awarded to the individual in question; and that the content corresponds with the details on the Umalusi certification database. The number of verifications undertaken in 2024/25 totalled 361 015; this includes 7 681 manual confirmations, 329 207 e-verifications and 24 127 full verifications. Figure 3 shows the trend over the last five years, with a yearly increase in verifications.

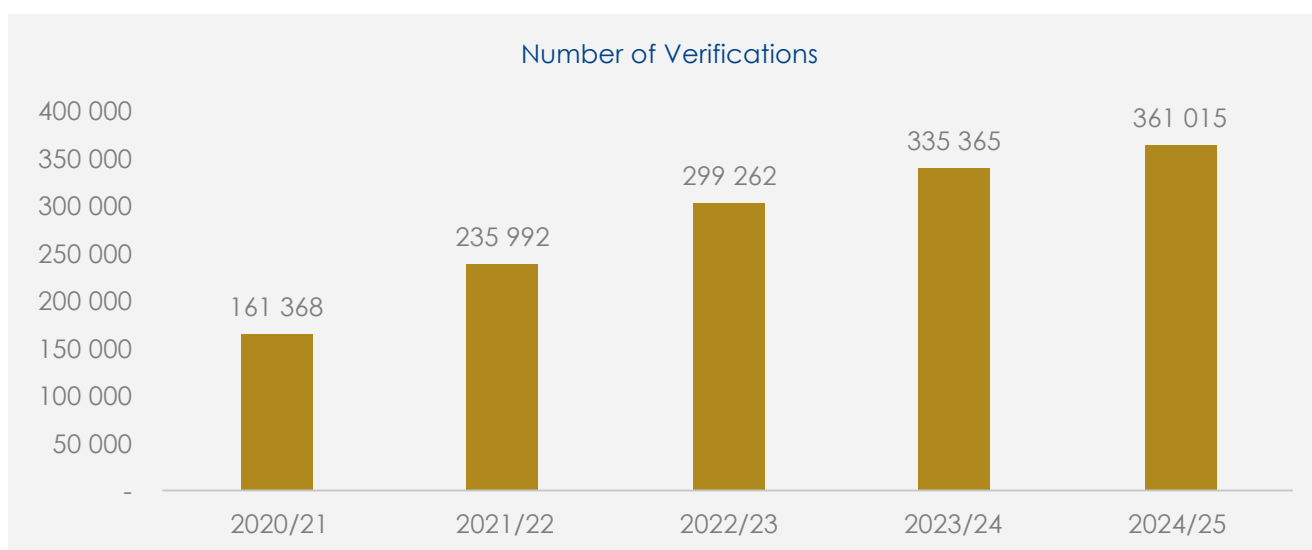


FIGURE 3: VERIFICATION STATISTICS FOR 2020/21- 2024/25

Online certificate replacement system

Umalusi has developed an online system for the replacement of certificates to improve service delivery. Since its implementation, Umalusi has ensured that candidates requiring replacement of certificates no longer must travel long distances to provincial and district offices of the Department to receive assistance but can apply from the comfort of their homes with the assistance of technology. The online application system has been hailed as a game-changer and has reduced the number of walk-ins at Umalusi offices and improved service delivery within a short turnaround time.

The online certificate replacement system has issued 25 466 certificates to date. For the year under review, 12 698 certificates were issued. The demand for this service has grown rapidly. As a result, enquiries, couriering and collection of certificates have also increased. This has put a strain on the existing capacity constraints to deliver on this fully.

In addition, the high staff turnover of ICT developers has negatively affected the maintenance and enhancements of the system, thereby causing delays in issuing the replacement certificates. To eradicate these

challenges, enhancements to the online system are being made regularly to improve the system's effectiveness. Future enhancements will focus on integration with the courier company to improve the delivery time and communication with candidates, via SMS services.

Quality Assurance of Assessment

Since its inception, Umalusi has QAA processes as one of its core mandates for all qualifications in its sub-framework. This function includes moderating question papers, monitoring site/SBA, ISAT/PAT and ICASS, monitoring the writing and marking of examinations at various centres, conducting the verification of marking, auditing the state of readiness of assessment bodies to conduct examinations and engaging in other quality assurance-related activities. These processes are performed for all qualifications registered on the GFETQSF across all assessment bodies, i.e., the DBE, DHET, Independent Examinations Board (IEB) and South African Comprehensive Assessment Institute (SACAI). Figures 4 to 7 reflect some of the QAA processes conducted by Umalusi during the past four years.

Moderation of question papers

Umalusi moderates question papers for all qualifications registered on the GFETQSF to ensure that they meet the

required standards and that they are fair, reliable and reflect appropriate levels of cognitive difficulty.

The total number of DBE, IEB, and SACAI NSC question papers moderated in 2024/25 increased due to the moderation of additional question papers in 2023/24. These included replacement papers for candidates unable to write exams due to factors beyond their control, approved question papers that were compromised and required replacement, and banked question papers that were utilised and subsequently replaced.

The DHET June and November 2023/24 GETC: ABET examination question papers were moderated and approved 18 months before the commencement of the examinations. The number of question papers moderated and approved for post-school qualifications decreased from 551 in 2023/24 to 548 in 2024/25. The decrease was due to the use of back papers for GETC and unlike in 2023/24 there was no additional learning areas assessed by the IEB for GETC: ABET mid-year examinations.

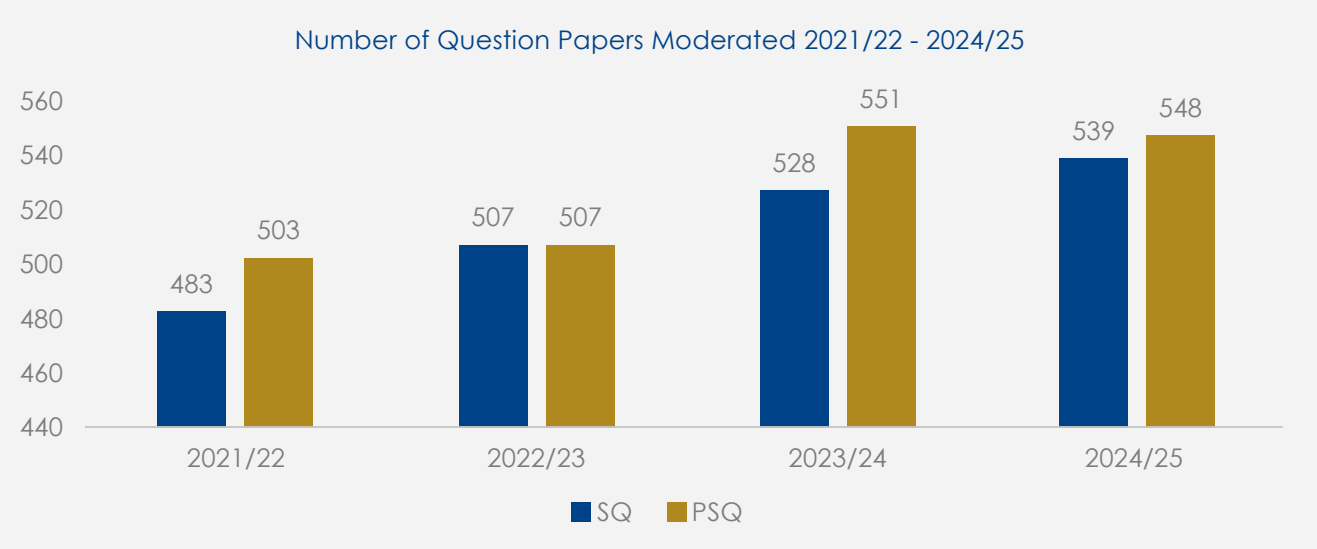


FIGURE 4: NUMBER OF QUESTION PAPERS MODERATED (2020/21 - 2024/25)

Monitoring the writing of examinations

Umalusi undertakes the oversight monitoring of the writing of examinations for the qualifications registered on the GFETQSF at a sample of examination centres. This is to determine whether assessment bodies conduct, administer and manage the examinations, in accordance with the prescripts of the regulations that govern the national examinations, to ensure valid and reliable results and maintain the credibility of the assessment.

Whilst it is Umalusi's intention to increase the number of examination centres to be monitored, the fluctuation scope due to unforeseen circumstances was evident. In 2021/22 and 2022/23 an increase in the number of centres monitored was recorded. However, there was a slight decline from 653 in 2022/23 to 454 in 2023/24 followed by a marginal increase to 579 in 2024/25. The slight increase can be attributed to the involvement of senior management in the monitoring of examinations.

The number of centres monitored for the writing of examinations decreased for the post-school sector, from 315 in 2023/24 to 289 in 2024/25. The decrease can be attributed to the decrease in budget allocations. However, the overall monitoring of both school and post-school sectors increased by 99 in the 2024/25 financial year when compared to 2023/24.

Figure 5 summarises the number of examination centres monitored over the past four years.



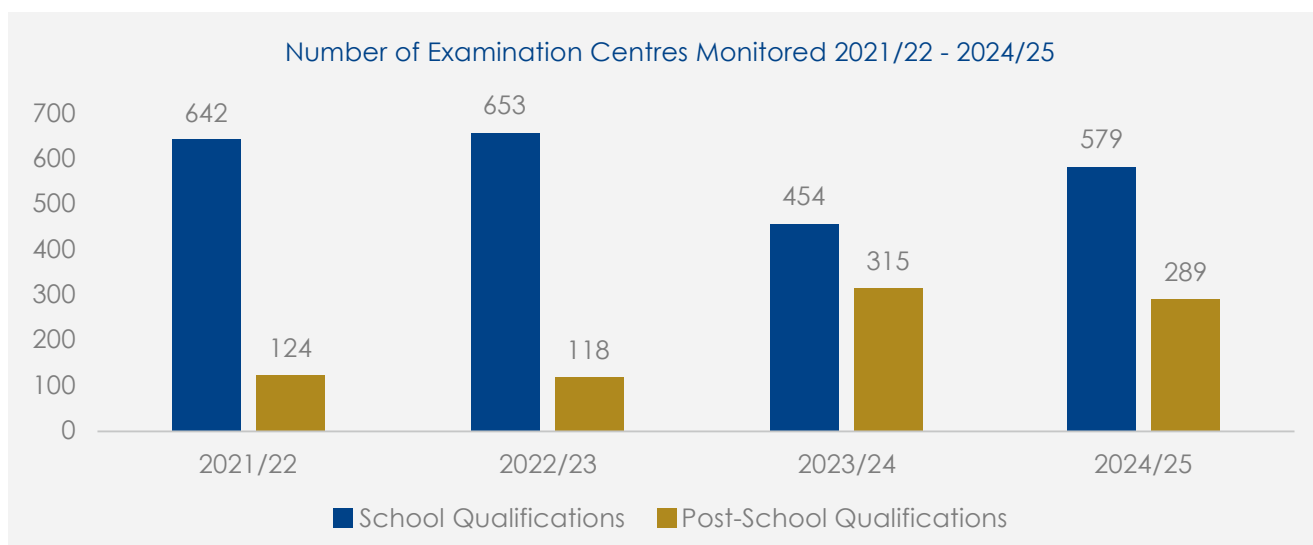


FIGURE 5: NUMBER OF EXAMINATION CENTRES MONITORED (2021/22 - 2024/25)

Monitoring of marking centres

Monitoring of the marking of examinations administered by the DBE, DHET, IEB and SACAI is conducted to ensure that standards are maintained and that examinations are executed in compliance with the conduct, administration and management of the examination's regulations. Accordingly, Umalusi monitors the marking process to ensure the integrity and credibility of the marking process, as well as to ensure that national standards are applied uniformly.

An increase in the number of marking centres monitored was maintained in the period 2022/23 to 2024/25. In

2022/23, the number of monitored marking centres increased marginally from 31 to 43, and the annual increase of scope for the monitoring of marking centres was achieved successfully, however in 2023/24 an increase from 43 to 55 in 2024/25 was notable. Umalusi's plan to incrementally extend the scope of verifying the readiness of marking centres prior to the commencement of the quality assurance of marking of scripts was realised.

The monitoring of the marking centres in the post-school slightly decreased from 42 in 2023/24 to 41 in 2024/25 financial year, because of the merging of two marking centres by the DHET in November 2024.

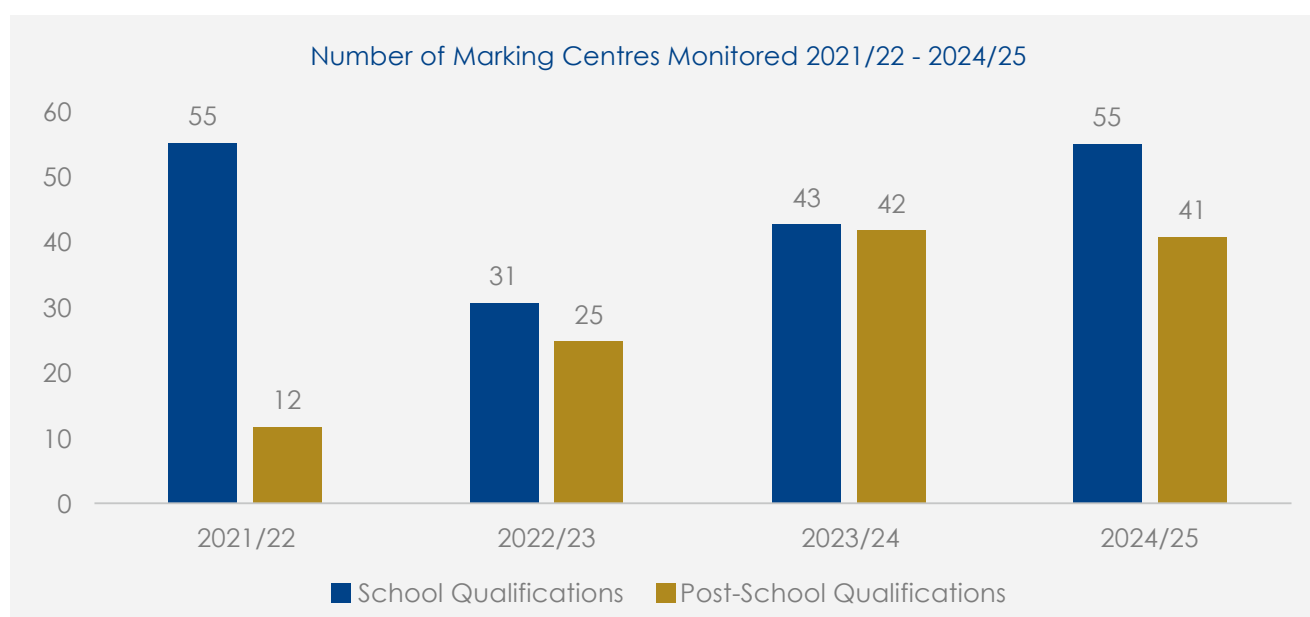


FIGURE 6: NUMBER OF MARKING CENTRES MONITORED (2021/22 - 2024/25)

Verification of marking

Umalusi conducts verification of marking to ensure that the assessment bodies mark the candidates' scripts according to the approved marking guidelines and that the standard of marking is consistent and fair. To this end, Umalusi conducted verification of marking for all NSC examinations undertaken by the SACAI, IEB and DBE during the Medium-Term Expenditure Framework (MTEF) period.

For the Schools sector, the number of subjects whose marking was verified increased from 89 to 93 between fiscal years 2020/21 and 2021/22. This gradual rise in the number of subjects was driven by Umalusi's commitment to enhance its oversight coverage over time. However, with the advent of declining financial resources due to budget cuts and austerity measures, maintaining

the determination to increase the number of subjects for yearly marking verification became unsustainable. Nevertheless, the coverage remained stable at approximately 92 in 2022/23 and 2023/24 financial years, and it slightly increased to 95 in 2024/25.

The period 2023/24 saw a decrease in the number of subjects for post-school qualifications for which the verification of marking was conducted, from 234 in 2023/24 to 187 in 2024/25. This was the result of a lack of enrolments in one learning of the GETC and the decrease in centres that offer NATED subjects due to the phasing out of NATED 190/191 N2-N3 programmes.

Figure 7 summarises the verification of marking conducted over the past four years.

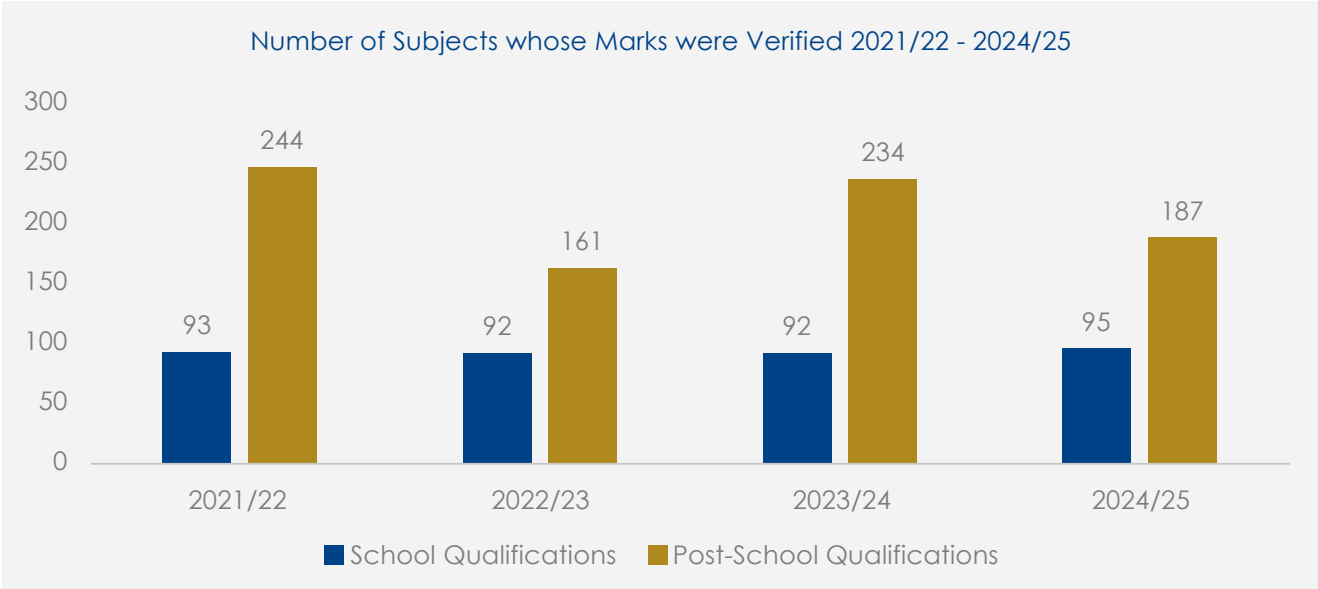


FIGURE 7: NUMBER OF SUBJECTS FOR WHICH MARKING WAS VERIFIED (2021/22 - 2024/25)

Evaluation and Accreditation

Accreditation of private education institutions

To ensure the delivery of quality qualifications registered on the GFETQSF at private education institutions, the Accreditation Committee of Council made 167 recommendations with respect to applications by independent schools and private colleges for the financial year under review.

Umalusi ICT unit has completed several modules for the Online Accreditation System, including Letter of Intent (LoI) and Self-Evaluation Module and approved business requirements documentation for the Automation of Quality Assurance of Assessments (QAA) instruments. These systems are necessary to automate and enhance service delivery. The first stages of the newly developed online accreditation system were implemented.

Although there are challenges experienced as the system is incrementally deployed, the staff are actively working

towards addressing the challenges, with the promise of a more efficient system in the future.

Significant developments during the year

To prevent business interruption due to water outages, Umalusi procured and installed two water tanks (10kℓ each) in the Thuto-Mfundo building as a backup solution. Additionally, Umalusi constructed a clear-view fence to enhance security measures and maintain a safe and secure working environment for the employees and external stakeholders.

2.2 Organisational environment

Umalusi is listed as a Schedule 3A public entity in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). It is governed by the General and Further Education and Training Quality Assurance Act, Act No. 58 of 2001, as amended. According to the Act, Umalusi is required to have a Council consisting of 15 members appointed by the Minister. During the year under review,

the organisation had a complete Council of 15 members, along with four ex-officio members who are the Chief Executive Officers of the Quality Councils. All scheduled Council meetings for the year were successfully held as planned. The Council maintained effective control over Umalusi and provided strategic direction for its management.

Staffing matters

Umalusi has a total of 151 approved positions, with 144 filled and seven vacant positions. At the end of the financial year, the organisation successfully maintained a vacancy rate of less than 10% by promptly filling vacant positions. The current vacancies have not adversely affected the organisation, as staff have worked diligently to ensure service delivery was maintained and that targets were met. Additionally, the staff turnover has significantly decreased, which can be attributed to improvements in employment conditions. As of 1 April 2024, staff members received an additional two notches of increases as part of the remuneration and retention strategy.

Financial matters

Umalusi's total revenue increased by 5%, rising from R206 million in 2023/24 FY to R217 million in 2024/25 FY. The increase was mainly driven by Umalusi's own revenue, which saw a significant increase of 15.6%, from R43 million in 2023/24 FY to R49.7 million in 2024/25 FY. As a result of this increase in own revenue, the grant vs own revenue ratio moved from 79:21 in 2023/24 FY to 77:23 in 2024/25 FY. Additionally, Umalusi's total assets, valued at R111 million, are nearly three times greater than the total liabilities of R41 million.

Information Communication Technology (ICT) environment

ICT has played a crucial role in enhancing the organisational processes, allowing the organisation to develop systems that automate business processes and improve the internet line. During this financial year, Umalusi, through the ICT unit, successfully implemented a faster internet connection through VOX, resulting in an 83% reduction in internet costs. Furthermore, the ICT unit has implemented the SAGE Intacct system, which will help automate supply chain and finance processes within the organisation. In response to the cyber threats, Umalusi successfully deployed an internet web filtering solution to improve ICT security. This solution filters malicious web traffic for Umalusi, both on and off premises, ensuring safe browsing.

2.3 Key policy developments and legislative changes

The following policy developments were achieved during the 2024/25 financial year:

Policies

- Umalusi has finalised the Articulation Policy for

Qualifications in General and Further Education and Training. The policy intends to ensure that institutions work together to develop learning pathways and that the learning they offer is linked to larger pathways. The policy was submitted for gazette for implementation on 4 April 2025.

- The Minister of Higher Education and Training promulgated a call for comments on the Draft Regulations for the Accreditation of Private Assessment Bodies assessing Qualifications registered on the General and Further Education and Training Qualifications Sub-framework, offered at Private Colleges, made under the General and Further Education and Training Qualify Assurance Act, 2001 in Government Gazette 52150 on 21 February 2025.

Guidelines

The following guidelines were reviewed during this financial year:

- Umalusi has evaluated the National Senior Certificate (NSC) Examination Guidelines.

2.4 Progress towards achievement of institutional Impacts and Outcomes

TABLE 1: IMPACT STATEMENT

Impact statement	Relevant and credible qualifications
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Managing qualifications and maintaining standards to ensure they remain relevant and competitive is no easy task for Umalusi. This challenge is compounded by the organisation's inability to control emerging global developments, such as the proliferation of online schooling. Umalusi is uncertain about the tuition practices in these institutions, which poses a threat to the credibility of qualifications on its sub-framework. Nevertheless, the ongoing evaluation and accreditation of private institutions that diligently follow the process of applying for accreditation directly contribute to the credibility of qualifications on the General and Further Education and Training Qualifications Sub-Framework (GFETQSF).

All quality assurance of assessment processes and activities conducted during the financial year under review and the results thereof systematically provide evidence of levels of compliance to the set standards and the directives for improvement that Umalusi issues to assessment bodies. Where there are pockets of non-compliance, the organisation has consistently monitored and provided policies and regulations to guide processes at the school and district level. The implementation of directives issued after evaluating the state of readiness for each province is continuously monitored, and schools are provided with school-specific reports.

There are currently four qualifications that are active on the GFETQSF, namely, the National Senior Certificate

(NSC), General Adult Education and Training (GETC: ABET Level 4), National Certificate (Vocational) (NC(V)), and NATED. Umalusi continually evaluates and reviews aspects of these qualifications to improve areas of concern.

TABLE 2: OUTCOME STATEMENT

Programme	Outcomes
1	Efficient and effective administrative systems
2 and 3	Enhanced educational standards

Progress made on the outcome: Efficient and effective administrative systems

This outcome statement embraces functions performed mainly by Programme 1: Administration.

To manage performance information and ensure accurate reporting, the Strategy and Governance (S&G) Unit engaged with and supported units that faced challenges in collating and verifying evidence. The verification for indicators 1.4.1: "Percentage of invoices paid within 30 days of receipt" and 3.2.1: "Percentage of question papers approved per qualification" continued on a monthly basis to reduce the workload of the quarterly verification of evidence. In addition, to ensure that reports are credible, the quarterly Performance Information Verification Committee (PIVC) continued to quality assure the reports prior to subjecting them to Legislative bodies.

The Human Capital Management ensured that the vacancy rate was successfully maintained below 10%, ensuring organisational stability and the continued ability to meet strategic objectives effectively. In addition, the unit reviewed and implemented the Leave, Remuneration, and Performance Management and Development Policies and also developed the Training and Development Standard Operating Procedure.

Umalusi has procured an advanced cloud-based financial management solution (Sage Intacct) to enhance its financial management processes and reporting with a view to improving audit outcomes. In addition, the organisation prepared the quarterly interim financial statements (interim financials) as a precursor towards the compilation of the Annual Financial Statements and to ensure that misstatements are identified and corrected early in the financial year. This intervention was designed to improve the audit outcomes.

The Information and Communication Technology (ICT) Unit has managed to achieve a network health score of 98%. This achievement illustrates average uptimes for all applications and systems where network access exists to ensure a stable ICT infrastructure. This score demonstrates the efficient execution of operations to fulfil the organisation's mandate.

Progress made on the outcome: Enhanced educational standards

Umalusi successfully recruited 29 additional external moderators, who were trained on 14 March 2025. As part of this training, moderators pledged to uphold the commitment to eliminating errors in question papers, reinforcing the goal of achieving zero errors in all moderated papers. Notably, the training and induction took place on-site, ensuring direct engagement and practical application.

Umalusi achieved 100% on the moderation of question papers for the TVET and AET qualifications. The question papers were developed with sufficient rigour to ensure that they meet the standards set by Umalusi, as well as those of the assessment body. This is an achievement on the enhanced educational standards outcome.

To ensure the delivery of quality qualifications registered on the GFETQSF at private education institutions, The Accreditation Committee of Council made 167 recommendations with respect to applications by independent schools and private colleges for the financial year under review.

The Statistical Information and Research (SIR) has successfully hosted the 40th AEAA conference from 19-23 August 2024, at Century City Conference Centre and Hotels, in Cape Town. The organisation also published an accredited book of conference proceedings titled: "Proceedings of the 40th AEAA Annual Conference on Reimagining Educational Assessment in the Age of Multiple Dimensions of Learning in a Global Society". This was published online and in print by Open Books and Proceedings, hosted by the University of the Free State Library and Information Services. ISBN: 978-1-0370-4278-2 (e-book), ISBN: 978-1-0370-4277-5 (print). Additionally, Umalusi has conducted various studies contributing to enhanced educational standards.





Chief Financial Officer
Mr Hendrik van der Walt

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: Administration

Purpose of the programme

The purpose of the Administration programme is to provide strategic leadership, management, and administrative support services to the organisation.

TABLE 3: PROGRAMME SUB-PROGRAMMES

Sub-programmes

The Administration programme comprises the following five sub-programmes:

Sub-Programme		Purpose	Outcome
1.1	Strategy and Governance (S&G)	The Strategy and Governance sub-programme aims to provide good corporate governance, support Council, manage the Office of the CEO, coordinate risk management, manage performance information and facilitate strategy development.	Efficient and effective administration systems
1.2	Public Relations and Communications (PR & Comms)	The PR & Comms sub-programme aims to communicate the organisational mandate, strategy and services to stakeholders.	
1.3	Information and Communication Technology (ICT)	The purpose of the ICT sub-programme is to manage, support, and maintain Umalusi's ICT resources and provide support to the business units.	
1.4	Human Capital Management (HCM)	This sub-programme aims to effectively implement HCM governance, attract top talent, cultivate a culture of continuous learning and development, ensure a transparent performance management system, offer attractive rewards and benefits and ensure that human capital is retained in the organisation to deliver on its mandate.	
1.5	Finance and Supply Chain Management (F&SCM)	To ensure transparent, accountable and sound financial management and to maintain a procurement system that is fair, equitable, transparent, competitive and cost effective.	



Senior Manager: S&G
Ms Molly Mokoena

Sub-Programme 1.1: Strategy and Governance

Purpose

The Strategy and Governance sub-programme aims to provide good corporate governance, support Council, manage the Office of the CEO, coordinate risk management, manage performance information, and facilitate strategy development.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Strategy and Governance sub-programme does not have any indicators on the Annual Performance Plan (APP); however, it contributes to the outcome: Efficient and effective administrative systems. Through this sub-programme, Umalusi submitted all quarterly performance reports for the 2024/25 financial year, as well as the annual performance report for the 2023/24 financial year, as required by legislation. For the fifth consecutive year, Umalusi did not have material findings on the audit of the annual performance report, demonstrating that the measures implemented to manage performance information remain effective. Additionally, the sub-programme reviewed and received approval for its Performance Information Management Policy from the Council. In preparation for the upcoming medium-term period, Umalusi successfully developed a Strategic Plan (SP) for 2025-2030, which will serve as a roadmap for the organisation over the next five years, alongside the 2025/26 Annual Performance Plan (APP) to initiate its implementation.

To enhance risk compliance, the Risk Management Framework, Risk Management Committee Charter, and Risk Management Policy were developed and approved. Risk Champions were appointed in each unit to improve risk management, and they received the necessary training. Umalusi effectively managed and assessed both internal and external risks facing the organisation, with risk performance reports monitored by the Audit and Risk Committee (ARC) on a quarterly basis and presented to Council. Additionally, Umalusi conducted its first Fraud Prevention and Corruption Awareness session on 1 October 2024, facilitated by the SIU.

During this financial year, the Council maintained a stable complement with no vacancies. All Council meetings were conducted as scheduled. To support effective administration, Council also approved various operational and legislative policies. The sub-programme assisted management in developing an evaluation tool to assess the Council, as requested by the Executive Committee during their meeting in October 2024. This tool was distributed to Council members for evaluation. The evaluation report was then presented at a Council meeting, where it was well received.

Summary of major challenges and actions taken to address the challenges

The primary challenge faced by the Strategy and Governance sub-programme was the resignation of both the Senior Manager and the Manager for Strategy and Reporting within a brief timeframe. Fortunately, management was able to quickly fill these positions, and the unit is now stable.



Senior Manager: PR & Comms
Mr Biki Lepota

Sub-Programme 1.2: Public Relations and Communications

Purpose

The PR & Comms sub-programme aims to communicate the organisational mandate, strategy and services to stakeholders.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The PR and Communications sub-programme contributes to the outcome on 'Efficient and effective administrative systems. The sub-programme plays a crucial role in ensuring that the organisation's mandate, strategy, and services are effectively communicated to stakeholders. The focus of the APP has been on conducting eight (8) advocacy initiatives to interact with stakeholders and to communicate information about the GFETQSF. In this regard, the financial year saw Umalusi conducting a total of twelve (12) initiatives in various ways, including roadshows, benchmarking visits to Umalusi, exhibitions, webinars and workshops, to interact with different stakeholders on the mandate of Umalusi.

Advocacy initiatives

One (1) roadshow was conducted at the University of the Western Cape on 12 August 2024 during which the CEO and his delegation engaged with a group of 25 academics and professional staff of the university on the mandate of Umalusi. To continue with its collaborative initiatives with counterparts in the Southern African Development Community (SADC), Umalusi hosted three (3) delegations from different organisations during the year. On 15 May 2024 Umalusi hosted a delegation from the Malawi National Council on Higher Education (NCHE). The visit was motivated by the need to learn about the quality councils' landscape in South Africa. The visit was followed by another one on 1 October 2024 when Umalusi hosted officials from the Examinations Council of Lesotho (ECOL). The visit was intended to share and exchange ideas on best practices in respect of certification and verification processes. Another delegation visited Umalusi on 20 February 2025. This was made up by officials from the Ministry of Education and Training in the Kingdom of Lesotho during their learning mission to share and exchange ideas on best practices in our respective areas of our work.

Concerning, exhibitions: Umalusi participated in five (5) of them. The first was a week-long career exhibition organised by the Eastern Cape Provincial Education Department on 13-17 May 2024 in which Umalusi showcased its services to learners from different high schools. On 19-23 August 2024, Umalusi exhibited at the 40th Annual Conference of the Association for Educational Assessment in Africa (AEAA) at the Century City Conference Centre and Hotel in Cape Town. A month later, on 25-27 September 2024, Umalusi exhibited its services again at the 10th National Congress of the South African Democratic Teachers' Union (SADTU). The fourth event in which Umalusi exhibited its services was at the National Tourism Career Expo (NTCE) on 8-10 October at the Peter Mokaba Stadium in Limpopo. The event was attended by over 6 000 learners and educators who came from all the provinces. The fifth (5) and final exhibition opportunity was on 4 March 2025 during the Accreditation Forum organised to award accreditation certificates to successful independent schools.

On 3 October, Umalusi hosted a webinar titled "The possible effect of online provision on the correlation between School-Based Assessment (SBA) and final

examination marks". The goal of the webinar was to demystify the public perception that high SBA marks necessarily guarantee learners high final marks in examinations. Participating in the webinar were over 400 people comprising parents, teachers, learners, etc. On 13 February 2025, Umalusi hosted a very successful workshop with four education stakeholder organisations (National Professional Teachers' Organisation of South Africa (NAPTOSA), National Teachers' Union (NATU), South African Democratic Teachers' Union (SADTU) and Suid-Afrikaanse Onderwysersunie (SAOU), and four statutory bodies (Education Labour Relations Council (ELRC), South African Council for Educators (SACE), South African Qualifications Authority (SAQA) and Universities South Africa (USAf). The purpose of the workshop was to provide these stakeholder organisations with the full context within which Umalusi standardises national examination results.

The second webinar, hosted in the form of a hybrid Accreditation Forum and Certificate Presentation Ceremony, took place on 04 March 2025. The purpose was to award accreditation certificates to 79 successful independent schools. Being a hybrid event, the webinar was attended by 534 participants online while another 84 people attended physically.

The advantages of all the initiatives described above are that they help to shape the understanding of

different stakeholders about the various areas of Umalusi's legislative mandate with specific reference to standardisation of examination results.

Optimising the use of current digital media platforms to keep stakeholders informed about the work of Umalusi

The finalisation and utilisation of the Umalusi digital media strategy has resulted in significant growth in the number of followers across the four social media platforms (Facebook, LinkedIn, X and YouTube) as well as growth in the reach of Umalusi messages on those platforms. The four social media platforms are not only used to regularly communicate key messages to various stakeholders, but also to expand the reach of Umalusi messages. The month-on-month comparisons presented in the tables below show that Umalusi's followership and the reach of the messages uploaded increased across all social media platforms. In terms of the number of followers, the first table shows that Umalusi experienced a significant increase of 13 417 or 66% followers from 20 335 in April 2024 to 33 752 in March 2025. Information concerning the reach of Umalusi messages on social media platforms is presented in the second table. Social media reach is the metric that shows the number of unique users who see /view Umalusi content or messages on social media platforms.

TABLE 4: UMALUSI FOLLOWERS ON SOCIAL MEDIA PLATFORMS PER MONTH

Platform	April	May	June	July	August	September	October	November	December	January	February	March
 Facebook	8,310	8,344	8,337	8,568	8,650	8,754	8,936	8,974	8,999	11,003	11,080	11,298
 LinkedIn	2,475	2,761	3,114	3,884	4,188	4,656	5,261	5,468	5,547	6,533	6,784	8,689
 X (Twitter)	9,455	9,507	9,514	9,568	9,657	9,809	9,829	9,829	9,845	13,456	13,522	13,524
 YouTube	95	95	96	96	137	153	163	166	167	231	232	241
Total	20,335	20,707	21,061	22,116	22,632	23,372	24,189	24,437	24,558	31,223	31,618	33,752

The overall picture presented by the figures in the next table is that the reach of Umalusi messages on social media platforms increased by 304 187 or 965% from 31 527 in April 2024 to 335 714 in March 2025.

TABLE 5: THE REACH OF UMALUSI MESSAGES ON SOCIAL MEDIA

Platform	April	May	June	July	August	September	October	November	December	January	February	March
 Facebook	13,671	28,400	12,000	99,500	18,338	16,237	68,395	19,533	13,614	631,962	59,586	188,873
 LinkedIn	11,279	27,496	24,422	57,809	35,950	46,868	58,714	18,328	13,549	81,266	26,501	134,302
 X (Twitter)	6,577	14,600	14,700	6,400	20,800	22,700	16,100	5,100	5,300	1.1 mil	19,800	12,003
 YouTube	n/a	n/a	n/a	n/a	1,466	506	578	101	118	3 844	197	536
Total	31,527	70,496	51,122	163,709	76,554	86,311	14,387	43,062	32,581	1,813,218	106,084	335,714

The month-on-month comparisons show that over 1.8 million viewers accessed the Umalusi message during the month of January 2025, which was a tremendous increase from 32,851 in December 2024. This manyfold upward shift is not unusual given that January is the busiest month during which Umalusi deals with approval of the year national examination results. Therefore, the attraction point is the public's eagerness to hear whether Umalusi Council approves or disapproves of the release of examination results. For the month of July, the attraction point was the regular posting of messages about the 40th AEAA on 18-23 August 2024. Similarly, March recorded an increase

in the numbers due to the messages posted about the Accreditation Forum hosted to award accreditation certificates to 79 Independent Schools.

Umalusi in the media

Media mentions

Umalusi continued to receive reasonable media coverage. The next table presents information showing the movement in terms of the number of times that Umalusi and its qualifications were mentioned or reported on in the media from one month to the next from the beginning up to the end of the financial year.

TABLE 6: UMALUSI MEDIA MENTIONS

Platform	April	May	June	July	August	September	October	November	December	January	February	March
 Print	15	11	10	9	21	43	52	31	6	59	2	134
 Broadcast	3	0	2	2	12	17	97	19	1	126	15	313
 Online	56	11	24	18	16	54	128	41	13	271	8	72
Total	74	22	36	29	49	114	277	91	20	456	132	519

The tabulated information shows that media coverage, that is the overall number of times that Umalusi and its qualifications were reported on in the media, follows the same pattern as that of social media especially in January and March. This positive change suggests that Umalusi continues to enjoy increased media reportage on a month-by-month basis.

Media statements

Umalusi issued three media statements during the reporting period. The first statement, issued on 11

October 2024, was about Umalusi giving greenlight to the public and private assessment bodies to conduct, administer and manage the 2024 end of year national examinations. The second media statement was issued on 13 January 2025 focussing on the approval of the release of the 2024 end of year national examination results. The third statement was issued in February 2025 in response to the numerous queries from learners and parents regarding the assessment outcomes of the 2024 SACAI NSC examinations. The queries are mainly about the discrepancies between the final marks and the

marks achieved by the learners during the year. Thus, the purpose of the statement was to clarify the role of Umalusi in national examination results. The final statement was about the Accreditation Forum held on 4 March 2025 to award accreditation certificates to 79 Independent Schools.

Media briefings, interviews and queries

Umalusi organised two media briefings during the year. The first one was held on 11 October 2024 to inform the public about the state of readiness of the public assessment bodies and private assessment bodies to conduct, administer and manage the 2024 end of year national examinations while the second took place on 13 January 2025 with the purpose of making a pronouncement on the 2024 end of year national examination results. Concerning interviews, Umalusi participated in numerous interviews both on radio and television to respond to various matters of relevance to its mandate. Umalusi received and responded to all the queries that it received from different media houses.

Newsletters

A total of five editions of Makoya, the external newsletter, were published on different areas of Umalusi's work and shared with stakeholders. The first four were the normal quarterly editions while the fifth one being a special issue dedicated to the Accreditation Forum and Certificate Presentation Ceremony held on 4 March 2025. These newsletters, which were shared widely with external stakeholders via the four social media

platforms mentioned above as well as by email and website, communicate the latest key messages about the work of the organisation to internal and external stakeholders. In addition, Umalusi published a 192-page booklet dedicated to the 40th Association for Educational Assessment in Africa (AEAA) conference hosted on 19-23 August 2024. The intention was to document and have proper record of the programme, abstracts and important information in relation to this conference.

Community development projects

Umalusi participated in Nelson Mandela International Day on 18 July 2024 during which over 5 700 reading materials donated by publishing houses were distributed to learners at the following four primary schools in four provinces:

- a. Kopanelang Thuto Primary, Sasolburg in the Free State,
- b. Madika Primary School, Zebediela in Limpopo,
- c. Komane Primary, Maboloka (Brits) in the Northwest, and
- d. Nobuhle Primary, Kwaggafontein in Mpumalanga.

All in all, the 2024 Umalusi campaign benefitted over 3 600 learners and 110 teachers associated with the four primary schools.

The foregoing activities have not only contributed immensely to the improved publicity of Umalusi at the national and international levels but have also educated various national and international stakeholders about the legislative mandate of Umalusi as a quality council.





Senior Manager: ICT
Mr Thato Khaha

Sub-Programme 1.3: Information and Communications Technology

Purpose

The purpose of the ICT sub-programme is to manage, support and maintain Umalusi's ICT resources and provide support to the business units.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

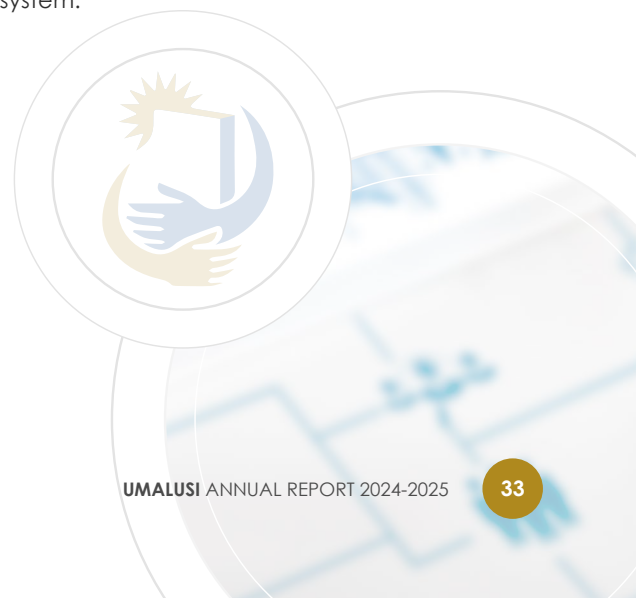
The ICT sub-programme contributes to the 'Efficient and effective administrative systems' outcome. In the financial year under review, the sub-programme had one output, on maintaining ICT network health score. The sub-programme has managed to achieve a network health score of 98%. This achievement illustrates average uptimes for all applications and systems where network access exists to ensure a stable ICT infrastructure. This score demonstrates the efficient execution of operations to fulfil the organisation's mandate.

Summary of major challenges and actions taken to address the challenges

The organisation's ICT Infrastructure System was old and vulnerable. To mitigate this challenge, business processes were upgraded and migrated to the new system. Other measures included migrating the Boardroom booking systems to the MS Exchange (Outlook) and implemented the SAGE intact for the finance and supply chain.

Development of the Enterprise Resource Planning (ERP)

The ICT unit's main focus is to digitalise the organisation by automating business processes and improving access to information. During the period under review the implementation of the Enterprise Resource Planning (ERP) was of most importance to the organisation. The migration of the SAGE 300 people to the SAGE cloud to improve accessibility and stability in supporting the Human Capital Management (HCM) Unit. The Unit also implemented the SAGE Intacct as part of the ERP solution to improve the Finance and Supply Chain Management processes. These two solutions will streamline the organisation's processes and improve efficiency. The unit also upgraded and migrated the processes on the Management Information System (MIS) to reduce reliance on the system.





Senior Manager: HCM
Mr Mafeta Mabelebele

Sub-Programme 1.4: Human Capital Management

Purpose

This sub-programme aims to effectively implement HCM governance, attract top talent, cultivate a culture of continuous learning and development, ensure a transparent performance management system, offer attractive rewards and benefits and ensure that human capital is retained in the organisation to deliver on its mandate.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The HCM sub-programme contributes to the outcome: Efficient and effective administrative systems. The APP output towards the achievement of this outcome was on maintaining the vacancy rate below 10%, in the 2024/25 financial year. The vacancy rate was maintained below 10% to ensure that all the units are capacitated and perform effectively and efficiently to achieve the organisational goal.

In addition, retirement workshops were conducted for all employees, focusing on the financial, psychological and health aspects when nearing retirement age and to ensure that employees have a clear understanding of the benefits of starting to save at a young age for retirement.

An awareness talk on HIV/AIDS was held to educate staff on the psychological and health effects and to ensure that employees have a clear understanding of HIV/AIDS.

A presentation on Unemployment Insurance Fund (UIF) claims was conducted successfully to educate employees on the importance, eligibility, and processes involved in UIF claims. The talk aimed to enhance awareness and ensure a smoother application.

Policy advocacies were conducted for some units on various HCM Policies to ensure that the units understand and comply with the policies.

Summary of major challenges and actions taken to address the challenges

Implementation of training and development plan

Service providers were not able to conduct the particular training interventions due to insufficient number of delegates willing to attend the training. Constant liaisons were made with the service providers regarding the available dates for training.

Implementation of the Performance Management Development

Challenges experienced included non-compliance, failure to finalise evaluations on time and lack of communication. The non-compliance of the submission dates for the quarterly Performance Management assessment documents caused delays in issuing permanent appointment letters to qualifying employees and placed pressure on the Human Capital Management unit. To address this challenge, reminders were sent to the unit Senior Managers, who then complied.

Filling of Vacant Positions

Requests for the appointment of fixed-term contractors to replace employees within their units when they are on study, maternity, annual, or extended sick leave created expectations that contractors will be given preference when permanent positions are advertised. This practice resulted in budgetary constraints within the HCM unit as these requests weren't budgeted for. It further causes delays in the recruitment process to fill vacant positions within three months. The other challenge pertains the appointment

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement *contd.*

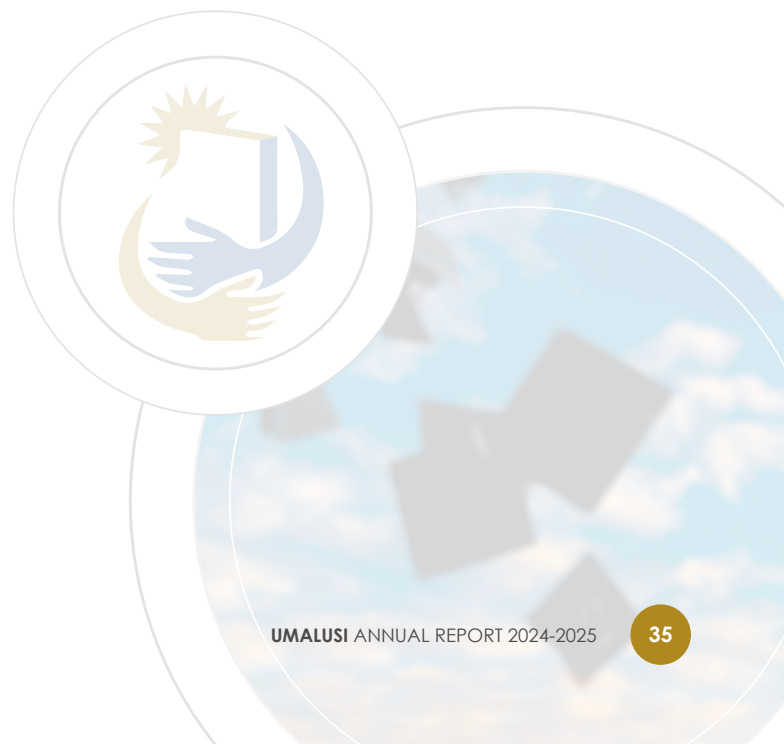
An electronic pension contributions file was developed to improve accuracy, efficiency, and compliance with regulatory requirements, thereby reducing manual processing efforts and ensuring timely contributions to the pension fund. In addition, the Leave, Remuneration, Performance Management and Development policies were reviewed and implemented and the Training and Development Standard Operating Procedure developed.

Summary of major challenges and actions taken to address the challenges *contd.*

of the Assistant Manager Natural Adabas due to the low salary package offered. To address this, HCM drafted a Standard Operating Procedure (SOP) on the Appointments on temporary vacated positions document for approval.

High Number of Returned Couriered Certificates

Numerous parcels/certificates were returned due to the Courier company being unable to get hold of the recipients. It was recommended that Information Communication Technology (ICT) and Qualifications, Curriculum and Certification (QCC) units amend the system by adding a compulsory line for an alternative contact number to be inserted. The ICT unit has amended the system by adding a compulsory line for an alternative contact number to be inserted.





Senior Manager: F&SCM
Dr Kenny Monate

Sub-Programme 1.5: Finance and Supply Chain Management

Purpose

To ensure transparent, accountable and sound financial management and to maintain a procurement system that is fair, equitable, transparent, competitive and cost effective.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The Finance and SCM sub-programme also contribute to the outcome of efficient and effective administrative systems. In the financial year under review, the sub-programme had one planned output: payment of valid invoices within 30 days of receipt, with a target set at 100%. Although significant progress was made towards achieving this target, it was missed by one percent, resulting in an achievement of 99%. The sub-programme prepared the interim financial statements (interim financials) on a quarterly basis to provide information about Umalusi's financial position, financial performance, and cash flows. The interim financials were issued to the internal auditors for review to assist Umalusi in identifying potential problems early in the financial year and ensure that corrective actions are taken promptly to improve audit outcomes.

Umalusi procured an asset management module to record, manage and maintain Umalusi's fixed assets and two verification scanners to assist in the asset count and verification process in order to minimise errors in capturing the information. The asset inventory lists, and asset movement forms were developed to ensure proper tracking and tracing of Umalusi's assets.

Developed and monitored the audit action plan for both internal and external audit findings to ensure that remedial actions were implemented to address the control deficiencies and improve audit outcomes.

Umalusi procured and installed two water tanks (10kℓ each) in the Thuto-Mfundo building as a backup plan to avoid business interruption due to water outages.

Umalusi constructed a clear-view fence to enhance security measures and maintain a safe and secure working environment for the employees, including the external stakeholders.

Summary of major challenges and actions taken to address the challenges

Manual reconstruction of the fixed asset register, after the termination of the contract of the service provider responsible for the asset management. This exposed Umalusi to the risk of failing to manage and account for all assets properly. Umalusi addressed the challenge by procuring the asset management module compatible to the Pastel partner (existing accounting software) and two verification scanners.

Manual compilation of monthly management accounts, which resulted in errors due to manual capturing of transactions. This increased the risk of incorrect financial reporting. Umalusi addressed the challenge by procuring the intelligence reporting module, which enhanced the reporting features of the current accounting software.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement *contd.*

Developed the procedure manuals for both supply chain management (SCM) and Subsistence & Traveling (S&T) to provide a comprehensive guide for employees, outlining standard operating processes and protocols within Umalusi and helping employees understand their roles, responsibilities, and the correct way to perform their tasks. The SCM and S&T Policies were also revised to ensure alignment with the latest developments and legislative changes in the public sector environment.

Umalusi appointed 269 suppliers (22 multi-year contracts and 247 once-off RFQs) during the year under review for the procurement of goods and services with a total contract value of R20.5 million. The ownership profile of the above suppliers is as follows:

Black = 59% | Women = 38% | Youth = 14% | People living with disabilities = 6%

TABLE 7: PROGRAMME 1: ADMINISTRATION

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Efficient and effective administrative systems	1.1 Advocacy initiatives	1.1.1 Number of advocacy initiatives conducted	8	8	8	12	4	The over achievement was as a result of unsolicited visits received from external stakeholders.
	1.2 Achieved ICT network health score	1.2.1 ICT Network health score maintained at ≥97%	97%	97%	≥97%	98%	None	None
	1.3 Minimised vacancy rate	1.3.1 Average Vacancy rate maintained at ≤10%	6%	8%	≤10%	5%	None	None
	1.4 Suppliers' invoices paid within 30 days	1.4.1 Percentage of valid invoices paid within 30 days of receipt	-	-	100%	99% (833/839)	-1% (6/839)	Inadequate monitoring of the payment of invoices and reconciliation of the invoice register, together with the payment register.

TABLE 8: PROGRAMME EXPENDITURE

Programme 1	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	80,050	96,975	(16,925)	82,787	111,593	(28,806)
Total	80,050	96,975	(16,925)	82,787	111,593	(28,806)

Linking performance with budgets

The programme was allocated R82.8 million to provide support to the core functions of Umalusi. The actual expenditure amounted to R111.6 million, which was 35% above budget. The over-expenditure was mainly caused by an increase in depreciation, computer software & licensing, and other IT-related equipment. The programme spent 44% (R49 million) of its total expenditure on compensation.

Strategy to overcome areas of under performance

Reconciliation of both the invoice register and the payment register, together with the bank statement, on a weekly basis to ensure that all invoices received are paid promptly.





Executive Manager: Q&R
Dr Emmanuel Sibanda

3.2 Programme 2: Qualifications and Research

Purpose of the programme

The purpose of the programme is to develop and manage an efficient and effective GFETQSF within the NQF and to undertake strategic research in support of that goal.

TABLE 9: PROGRAMME SUB-PROGRAMMES

Sub-programmes

The Q&R programme comprises the following five sub-programmes:

Sub-Programme		Purpose	Outcome
2.1	Curriculum and Certification Qualifications, (QCC)	The purpose of the QCC sub-programme is to manage the GFETQSF qualifications and the standard QCC functions managing qualifications, certification and verification.	Enhanced educational standards
2.2	Statistical Information and Research (SIR)	The purpose of the SIR sub-programme is to provide a platform for research, statistical support and the standardisation of learner results, to inform Council's professional work and organisational strategy.	





Senior Manager: QCC
Mr Dennis Twala

Sub-Programme 2.1: Qualifications Curriculum and Certification

Purpose

The Purpose of the QCC sub-programme is to manage the GFETQSF qualifications and the standard QCC functions managing qualifications, certification and verification.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The QCC sub-programme contributes to the outcome: Enhanced educational standards. Through this programme, Umalusi has finalised the Articulation Policy for Qualifications in General and Further Education and Training for the year under review. This policy intends to ensure that institutions work together to develop learning pathways and that the learning they offer is linked to larger pathways. The policy has been submitted for gazette for implementation.

Summary of major challenges and actions taken to address the challenges

The Department of Higher Education and Training (DHET) has delayed the implementation of the National Senior Certificate for Adults (NASCA). Umalusi has yet to receive a concept document for the revised approach to the NASCA implementation from the DHET. Umalusi has no control over this activity as it is dependent on the DHET.

Similarly, the process to develop certification directives for the GEC is linked to the approval of the GEC and subsequent registration on the NQF. At this stage, the process has not commenced, pending the finalisation of the GEC Policy. Umalusi has no control over this activity as it is dependent on the DBE to finalise and submit the GEC Policy.





Senior Manager: SIR
Dr Agnes Mohale

Sub-Programme 2.2: Statistical Information and Research

Purpose

The purpose of the SIR sub-programme is to provide a platform for research, statistical support and the standardisation of learner results, to inform Council's professional work and organisational strategy.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The SIR sub-programme also contributes to the outcome: Enhanced educational standards through research and statistical support. In the year under review, Umalusi has evaluated the NSC Examination Guidelines to determine whether they encompass all essential components required for upholding educational standards. The overarching objective is to uphold standards and ensure comparability of NSC examination question papers both within and across assessment bodies over time. The study evaluated the examination guidelines of the Department of Basic Education, the Independent Examinations Board, and the South African Comprehensive Assessment Institute. As a result, three reports have been compiled and completed.

As one of the ways to understand the online education landscape, Umalusi has conducted a study to investigate and analyse the mechanisms and strategies employed to ensure and maintain quality in online education. This study provided insights and recommendations regarding ensuring the quality of online education through effective policies and assessment practices, looking at how other education systems maintain quality in online education. The report has been completed.

Umalusi has developed a concept document to identify variables to include in the trends analysis report for the NSC qualification. This project aims to provide current/updated feedback on the trends reported in the 2015 Indicator's report and to provide a macro-level overview, by way of monitoring and evaluation, of the NSC qualification and the system that supports it.

Umalusi has conducted the 2024 Post-Examination Analysis (PEA) for selected National Senior Certificate (NSC) examination subjects across the three assessment bodies. Ten DBE subjects and nine SACAI and IEB subjects were analysed. The findings were presented to the Assessment Standard Committee (ASC) in December 2024 standardisation meetings. The PEA resulted in three reports:

- Comparing the standard of the National Senior Certificate Examinations administered by the Department of Basic Education (DBE) in 2024 with those written in 2023 and 2022: Focus on ten selected subjects.
- Comparing the standard of the National Senior Certificate Examinations administered by the Independent Examinations Board in 2024 with those written in 2022 and 2023: Focus on nine selected subjects.
- Comparing the standard of the National Senior Certificate Examinations administered by the South African Comprehensive Assessment institute (SAICAI) in 2024 with those written in 2022 and 2023: Focus on nine selected subjects.

The findings that emanated from the "From Principle to Practice's" study were shared internally at a quality promotion meeting.

Umalusi has successfully standardised the examination results of the 2024 mid-of-year and 2024 end-of-year NSC, SC (a), GETC, NCV L2-4, Report 190/191 N2-N3 Engineering studies, and IEB EOR March 2025 examination results.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement *contd.*

Umalusi has successfully hosted the 40th AEAA conference from 19-23 August 2024, at Century City Conference Centre and Hotels, in Cape Town. There were over 300 conference delegates consisting of education leaders, researchers, policy makers, educationists, assessment and curriculum practitioners, scholars, heads of assessment bodies and examination councils and private agencies from the African continent, Europe, India, Japan, United Kingdom, United States of America and other parts of the world. The Minister of Basic Education, Honourable Siviwe Gwarube, officially opened the conference on 19 August. The report on the conference has been completed. The report captures key details of the entire conference, including the pre-conference, the proceedings, and post-conference details.

Umalusi has also published an accredited book of the 40th AEAA conference proceedings titled: "Proceedings of the 40th AEAA Annual Conference on Reimagining Educational Assessment in the Age of Multiple Dimensions of Learning in a Global Society". This was

published online and in print by Open Books and Proceedings, hosted by the University of the Free State Library and Information Services. ISBN: 978-1-0370-4278-2 (e-book), ISBN: 978-1-0370-4277-5 (print).

Finally, as part of the dissemination of the research findings and Umalusi quality assurance processes, Umalusi participated in, and presented academic papers at the:

- 14th Southern Africa Association for Educational Assessment (SAEAA) Conference hosted by the Examination Council of Eswatini (ECESWA) from the 13-16 May 2024, at Esibayeni Lodge, Matsapha, Eswatini.
- 40th Association for Educational Assessment in Africa (AEAA) Annual Conference hosted by Umalusi, in Century City, Cape Town.
- 49th Annual International Association for Educational Assessment (IAEA) Conference, September 22–25, 2024, Philadelphia, United States of America.

TABLE 10: PROGRAMME 2: QUALIFICATIONS AND RESEARCH

Programme 2: Qualifications and Research									
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations	
Enhanced education standards	2.1 Reports on the management of qualifications	2.1.1 Number of reports produced on the management of qualification in the sub-framework	1	1	1	1	None	None	
	2.2 Reports on the certification of learner achievements	2.2.1 Number of reports produced on the certification of learner achievements for qualifications in the sub-framework	4	4	4	4	None	None	
	2.3 Reports on the verification of certificates issued	2.3.1 Number of reports produced on the verification of qualifications (certificates) in the sub-framework	4	4	4	4	None	None	
	2.4 Completed research reports	2.4.1 Number of research reports completed in various formats	5	6	6	6	None	None	

TABLE 11: PROGRAMME EXPENDITURE

Programme 2	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Qualifications and Research	32,853	28,656	4,197	34,797	39,736	(4,939)
Total	32,853	28,656	4,197	34,797	39,736	(4,939)

Linking performance with budgets

The programme was allocated R34.8 million in the current financial year. The actual expenditure was R39.7 million, which was 14% above the budget. The overspending was mainly due to the AEAA conference held in August 2024. The programme spent 59% (23.6 million) of its total expenditure on compensation.

Strategy to overcome areas of under performance

There is no underperformance in this programme.





Executive Manager: QAM
Dr Eva Sujee

3.3 Programme 3: Quality Assurance and Monitoring

Purpose of the programme

The purpose of this programme is to ensure that the providers of education and training have the capacity to deliver and assess qualifications registered on the GFETQSF and are doing so to the expected standards and quality.

TABLE 12: PROGRAMME SUB-PROGRAMMES

Sub-programmes

The QAM programme comprises the following five sub-programmes:

Sub-Programme		Purpose	Outcome
3.1	Quality Assurance of Assessment: School Qualifications	The purpose of this sub-programme is to ensure the credibility of the assessment and examination results of school qualifications registered on the GFETQSF.	Enhanced educational standards
3.2	Quality Assurance of Assessment: Post-School Qualifications	The purpose of this sub-programme is to ensure the credibility of the assessment and examination results of post-school qualifications registered on the GFETQSF	
3.3	Evaluation and Accreditation	The purpose of this sub-programme is to quality assure the delivery of qualifications registered on the GFETQSF at private education institutions; and the capacity of private assessment bodies to assess those qualifications.	





Senior Manager: QAA: SQ
Ms Mary Malia

Sub-Programme 3.1: Quality Assurance of Assessment: School Qualifications

Purpose

The purpose of this sub-programme is to ensure the credibility of the assessment and examination results of school qualifications registered on the GFETQSF.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The QAA: SQ sub-programme contributes to the outcome: Enhanced educational standards by ensuring the quality assurance of assessments in the Republic of South African schools. For the year in question, Umalusi successfully recruited 29 additional external moderators, who were trained on 14 March 2025. As part of this training, moderators pledged to uphold the commitment to eliminating errors in question papers, reinforcing the goal of achieving zero errors in all moderated papers. Notably, the training and induction took place on-site, ensuring direct engagement and practical application.

Umalusi provided targeted feedback to sampled schools, subject specialists, and assessment bodies on the quality assurance of School-Based Assessment (SBA), Practical Assessment Tasks (PAT), and oral assessment. This feedback contributed to improvements in the implementation of these assessments. Additionally, the issuance of directives for compliance and improvement prompted the DBE to develop a guideline for the quality assurance of SBA in Grades 10–12, ensuring standardized implementation across the Provincial Education Departments (PEDs). The amendment of Section 4 of the Curriculum and Assessment Policy Statement (CAPS) further strengthened the administration and conduct of assessment.

Furthermore, the successful audit of the state of readiness for the administration and management of the NSC examinations across the three assessment bodies was followed by constructive feedback shared prior to the commencement of the November 2024 examination. As a result, assessment bodies submitted improvement plans to mitigate identified risks, contributing to the overall credibility and integrity of the examination process.

Summary of major challenges and actions taken to address the challenges

Recruiting external moderators for non-official languages and scarce skills subjects, such as Sports Science, remains a challenge. To address this, plans are underway to visit schools offering these subjects for recruitment purposes and to re-advertise posts that did not receive applications.

Additionally, the recruitment of monitors in the Northern Cape and North-West provinces during the 2024/25 cycle has proven difficult, with limited suitable candidates applying. In response, Umalusi is actively engaged in recruitment efforts to identify and secure qualified individuals in these provinces.



Senior Manager: QAA: PSQ
Dr Mary-Antoinette Dliwayo

Sub-Programme 3.2: Quality Assurance of Assessment: Post-School Qualifications

Purpose

The purpose of this sub-programme is to ensure the credibility of the assessment and examination results of post-school qualifications registered on the General and Further Education and Training Qualifications Sub-framework (GFETQSF). Therefore, the sub-programme establishes, maintains, and improves standards in the assessment of post-school qualifications registered on the GFETQSF through the quality assurance of assessment processes.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The QAA: PSQ sub-programme contributes to the outcome: Enhanced educational standards. To contribute to the outcome, for the year under review the following activities were undertaken in line with the planned outputs.

Moderation of Question Papers

Umalusi conducts external moderation of the National Certificate (Vocational) [NC(V)], NATED Report 190/191 Engineering Studies N2-N3 and the General Education and Training Certificate: Adult Basic Education and Training (GETC: ABET) examination question papers and marking guidelines to ensure that the required quality and standards are maintained across examination cycles. The moderation of question papers is critical to ensuring assessment quality. The external moderation process confirms that the question papers have been developed with rigour and comply with Umalusi criteria, as well as the curriculum and assessment policy documents of the assessment body. The moderation process also ensures that question papers are presented in the appropriate and technically correct format. During this reporting period, all post school qualifications question papers were received, and quality assured in accordance with the Umalusi detailed criteria. Question papers that did not meet all the criteria during the first moderation were either conditionally approved or rejected. These question papers were subjected to further moderation until the required standard was met and were approved after meeting all the criteria set.

Moderation of Site-Based Assessment (SBA) Tasks

The moderation of SBA tasks is critical in the quality assurance process. It ensures that SBA tasks comply with Umalusi quality assurance of assessment requirements and the assessment bodies' subject assessment guidelines. Umalusi conducts the external moderation of SBA tasks to ensure the maintenance of quality in terms of the prescribed content, conceptual domains, and relevant levels of cognitive demand.

Umalusi received, quality assured and approved 51 SBA tasks from the Department of Higher Education and Training (DHET), four SBA tasks from the Independent Examinations Board (IEB) and seven SBA tasks from the South African Comprehensive Assessment Institute (SACAI).

Moderation of the Internal Continuous Assessment (ICASS)/SBA Portfolios

Umalusi verifies compliance with the stipulations of the ICASS Instructions/SBA guidelines for different qualifications and programmes. Through this process, Umalusi identifies problem areas in the implementation of ICASS/SBA, recommends solutions to the challenges identified, and reports on the quality of ICASS/SBA portfolios to the assessment bodies.

In the 2024/2025 financial year, Umalusi moderated internal assessments for 207 subjects/learning areas, the set target was exceeded by seven. This is attributed to

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement *contd.*

the inclusion of sites that experienced challenges with the implementation of ICASS and the shadowing of the DHET during on-site support visits to Waterberg TVET College in the Limpopo Province.

The monitoring and moderation of internal assessment to evaluate the quality and standard of planning and the conduct of the ICASS and SBA at the sites of learning was conducted in line with Umalusi's criteria for this quality assurance process. Preliminary feedback was provided at the sites visited. Consolidated reports on the findings, including areas of improvement, areas of non-compliance as well as directives for compliance and improvement that need to be addressed, were communicated to the Assessment Bodies as part of the Quality Assurance of Assessment (QAA) reports.

ISAT/PAT Conduct

Umalusi moderates the ISAT/PAT to ensure that the tasks administered at the site of teaching and learning meet the standard and to guarantee fairness, consistency and comparability across different Technical and Vocational Education and Training (TVET) colleges. The ISAT and PAT assess students' practical skills through tasks that replicate or simulate real-life processes and/or products in a workplace setting. The ISAT can be completed in phases throughout the year, over a specific period, or as a one-time task, depending on the nature of the subject. In contrast, the PAT consists of two practical tasks, which are part of the ICASS.

For the period under review, Umalusi selected sites for ISAT moderation based on various criteria, which included sites that had never been visited before, sites visited in the past three years, and sites that required follow-up visits due to non-compliance during previous moderations. Umalusi moderated the conduct of the ISAT/PAT for 82 subjects on-site and 10 subjects virtually (off-site) from 4 to 21 October 2024.

Consolidated reports on the findings, including areas of improvement, areas of non-compliance as well as directives for compliance and improvement that need to be addressed, were communicated to the DHET as part of the QAA reports.

Monitoring of Writing of Examinations and Marking Centres

Monitoring of the conduct, administration, and management of examinations is undertaken to determine compliance with policies and guidelines that govern examinations.

The monitoring of writing was conducted at 147 examination centres for the April, August and November 2024 NC(V) and NATED Report 190/191 Engineering

Studies N2-N3 examinations. The marking of these examinations was monitored at seven marking centres for the April 2024, eight marking centres for the August 2024 examinations and seven for the November 2024 examination cycles.

Regarding the NC(V) February 2025 Materials Level 2 rewrite, 11 centres were monitored during the writing of examinations. For the February/March 2025 supplementary examinations 20 examination centres were monitored. The marking of examination scripts was monitored at seven marking centres for November 2024, one for the Materials L2 rewrite and two for the 2025 supplementary NC(V) Level 2-Level 4 examination.

The writing of the June 2024 and November 2024 GETC: ABET examinations for DHET, IEB, and SACAI was monitored at 106 examination centres across the nine provinces. Furthermore, the writing of the IEB September 2024 and March 2025 Examinations-on-Request (EoR) was monitored at 13 centres. The marking of these examinations was monitored at three centres for June 2024, one centre for the September 2024 examinations, three centres for November 2024, and one for the March 2025 examination cycles.

The monitoring of the conduct, administration and management of examinations provided Umalusi with information on the credibility of the examinations in order to make informed decisions regarding the approval of the release of results.

Standardisation of Marking Guidelines

The marking guidelines undergo standardisation to ensure that the finalised marking guidelines are fair, accurate and consistent so that justice is done to the marking process. It is essential that marking guidelines are discussed with markers to ensure that all possible responses and corrections are agreed upon and that any changes or additions are approved.

Umalusi attended 41 out of 42 GETC: ABET standardisation of marking guideline meetings of the DHET, 16 meetings of the IEB, and 14 meetings for the SACAI June and November 2024 examinations. The IEB meetings included those for the March and September EoR.

For the NC(V) qualification, the standardisation of marking guidelines was monitored in 49 subjects (52 question papers) for the November 2024 examination, one for the Material L2 rewrite and four subjects (five question papers) for the February/March 2025 NC(V) supplementary examination. The standardisation of marking guidelines was monitored for 14 instructional offerings during the April 2024, 15 instructional offerings during the August 2024, and 17 instructional offerings during the November 2024 NATED Report 190/191 Engineering Studies N2-N3.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement *contd.*

The standardisation of marking guidelines was conducted as per the Umalusi management plans and reported in line with the revised reporting instruments for this process. Consolidated reports include directives to the assessment bodies on areas that require improvement to ensure compliance. These reports were shared with the assessment bodies as part of the QAA reports.

Verification of Marking

This process is conducted to ensure that marking is credible and accurate, to determine whether the approved marking guidelines are adhered to and applied consistently, ascertain that effective internal moderation takes place, identify possible irregularities and to confirm that marking is fair, reliable, and valid.

Regarding the GETC: ABET, Umalusi verified the marking in 37 learning areas of the DHET, 16 learning areas of the IEB, and 14 learning areas of the SACAI for the June and November 2024 examinations. The verification of marking of the IEB included that of the March 2025 and September 2024 examinations on request.

Verification of marking was also conducted for 39 subjects in the NC(V) L2-L4 for the November 2024 examinations, one for Material L2 rewrite and four subjects (five question papers) for the February/March 2025 supplementary examinations. In terms of the NATED Report 190/191 Engineering Studies N2-N3 examinations, verification of marking was conducted in 75 instructional offerings for the November 2024 NATED Report 190/191 Engineering Studies N2-N3 examinations.

The verification of marking was conducted by the external moderators according to Umalusi's criteria for the quality assurance of assessment process for 12 examination cycles. Umalusi staff members monitored the verification of marking at various marking centres. The consolidated reports were shared with the assessment bodies.

Approval of examination results

Post the conduct, administration, and management of the examinations, Umalusi and the assessment bodies present reports to the Executive Committee (EXCO) of Umalusi Council on the quality assurance and the conduct, administration, and management of the examinations. Based on these reports, the EXCO can approve or disapprove of the release of the examination results.

The EXCO approved the release of the following GETC: ABET examination results:

- The IEB GETC: ABET June 2024 examination on 09 July 2024;
- The SACAI GETC: ABET June 2024 examination on 30 July 2024;
- The DHET GETC: ABET June 2024 examination on 05 August 2024;
- The IEB GETC: ABET Examinations-on-Request on 07 October 2024;
- The IEB and SACAI GETC: ABET November 2024 examinations on 07 January 2025; and
- The DHET GETC: ABET November 2024 examination on 09 January 2025.

For the TVET qualifications, the following DHET examination results were approved by EXCO:

- The NATED Report 190/191 Engineering Studies N2-N3 April 2024 examination on 13 May 2025;
- The NATED Report 190/191 Engineering Studies N2-N3 August 2024 examination on 06 September 2024;
- The DHET NC(V) Level 2-4 2024 November examination on 09 January 2025;
- The DHET NATED Report 190/191 Engineering Studies N2-N3 November 2024 examination on 09 January 2025; and
- The DHET NC(V) Materials L2 Rewrite examination on 10 March 2025.

Quality Assurance of Assessment Reports

Six consolidated quality assurance of assessment reports were published for the post school qualifications.

Summary of major challenges and actions taken to address the challenges

In the quest to ensure the quality of assurance in the TVET colleges, Umalusi was faced with an insufficient budget to carry out its processes. This was addressed by transferring funds within the unit and from other cost lines. The other challenge pertained to the assessment bodies submitting SBA tasks, and State of Readiness reports late. Letters of concern were sent to the assessment bodies, and operational bilateral meetings were held to foster compliance. Furthermore, Question Paper Task Team meetings were held to track progress with submission and outline challenges encountered.

Tight timeframes to deliver on the end-of-year examinations quality assurance processes and Late submission of question papers for external moderation by the assessment bodies was also of concern. Engagement with assessment bodies to review their management plans and end of year examination timetables and proposed alternative approaches to question paper moderation such as on-site moderation for some subjects was a mitigating factor when addressing these challenges.

Lastly, the increase in number of marking concession requests for NC(V) L2-L3 due to the errors found in question papers and poor management of assessment and examination processes by the DHET imposed threats to the operations conducted by Umalusi. To address these challenges, training of external moderators was conducted with emphasis on proofreading. In addition, Umalusi participated and made a presentation on errors in questions, during the DHET examiners and internal moderators' trainings sessions across six regions. DHET is also placed under close monitoring in 2025 by the EXCO of Council.





Senior Manager: E&A
Ms Cindy Thomas

Sub-Programme 3.3: Evaluation and Accreditation

Purpose

The purpose of this sub-programme is to quality assure the delivery of qualifications registered on the GFETQSF at private education institutions; and the capacity of private assessment bodies to assess those qualifications.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The E & A sub-programme also contributes to: Enhanced educational standards. The sub-programme planned two outputs towards the achievement of this outcome, the finalisation of the accreditation outcomes and the monitoring of private educational institutions. In this financial year, a successful hybrid Accreditation Forum and Accreditation Certificate Award Ceremony was conducted with 155 attendees in person and 647 online attendees. In addition to congratulating institutions that had been awarded accreditation in the past academic year, the forum provided an opportunity to engage with stakeholders on recent developments in the sector, as well as to encourage the development of best practice in the sector. A special edition of the Makoya newsletter commemorating the Accreditation Forum and Certificates Award Ceremony was published in March 2025.

Additional staff were appointed and trained to deal with the accreditation processes, with the aim of reducing the turnaround time in dealing with accreditation applications.

The first stages of the newly developed online accreditation system were implemented. Although there are challenges experienced as the system is

incrementally deployed, the staff are actively working towards addressing the challenges, with the promise of a more efficient system in the future.

The initial steps for implementing the Memorandum of Understanding between Umalusi and the South African Council for Educators have been completed. This enables the two entities to collaborate in verifying the authenticity of Level 4 qualifications submitted to SACE by teachers applying for registration, as well as the authenticity of SACE registration documents submitted by independent schools and private colleges in their applications for accreditation.

Engagements with officials responsible for the registration of independent schools and private colleges, as well as officials responsible for the registration of examination centres, both in independent schools and private colleges, has been invaluable in fostering an understanding of the processes and requirements in each of the sectors.

The Accreditation Committee of Council made the following recommendations in the financial year with respect to applications by independent schools and private colleges:

TABLE 13: ACCREDITATION COMMITTEE OF COUNCIL RECOMMENDATIONS

Accreditation	64 independent schools
7 years accreditation	one FET private college

TABLE 13: ACCREDITATION COMMITTEE OF COUNCIL RECOMMENDATIONS *contd.*

2 years provisional accreditation	31 independent schools and one FET private college
No accreditation	29 independent schools and 32 FET private colleges
Window period to improve	40 independent schools and seven FET private colleges
Extension of scope granted	six independent schools
Change of name approved	12 independent schools
Change of site approved	three independent schools and one FET private college
Change of site not approved	one FET private college
Continued accreditation (monitored institutions)	107 independent schools and five FET private colleges
Final notice of intent to withdraw accreditation	five independent schools and four FET private colleges
Withdrawal of accreditation	11 independent schools and 18 FET private colleges

In addition, a private assessment body was closely monitored in the preparations for, the conduct and resulting of the National Senior Certificate (NSC) examination and related assessment.

Summary of major challenges and actions taken to address the challenges

The online accreditation system continues to pose challenges to the organisation and institutions applying for accreditation. Continual engagement between the Information and Communications Technology and Evaluation and Accreditation units' endeavours to resolve the challenges. Keeping manual records mitigates the challenges faced in tracking and reporting on accreditation applications, although this places additional workload on the staff.

The increase in institutions offering online education in an unregulated environment is concerning, especially since many of the institutions offer the National Senior Certificate, which is certified by Umalusi. In the absence of legislation to regulate this sector, Umalusi has issued a list of non-negotiables that assessment bodies registering candidates from online schools must adhere to. Another challenge emanating from the lack of regulation of online schools is that various combinations of online and in-person tuition are emerging. Umalusi has been engaging with officials responsible for the registration of independent schools to understand the extent to which registered independent schools are permitted to engage in online education. Further, Umalusi has provided input to the Department of Basic Education's draft guidelines for online schools and participated in the task team working on the development of regulations for online schools.

The lack of understanding of the mandate of Umalusi amongst the public leads to Umalusi being inundated with queries about the accreditation status of institutions and qualifications falling under other Quality Councils and registration queries, which should be directed to the relevant education departments. In an attempt to increase understanding of Umalusi's mandate and role in the NQF landscape, we have been including information on Umalusi's broader mandate in presentations to stakeholders on accreditation matters.



TABLE 14: PROGRAMME 3: QUALITY ASSURANCE AND MONITORING

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Enhanced education standards	3.1 Published quality assurance of assessment reports	3.1.1 Number of quality assurance of assessment reports published for qualifications registered on the GFETQSF	9	9	9	9	None	None
	3.2 Approved question papers	3.2.1 Percentage of question papers approved per qualification	100% (1 014/ 1 014)	100% (1 079/ 1 079)	100%	100% (1 086/ 1 086)	None	None
	3.3 Audited assessment bodies for the state of readiness	3.3.1 Number of assessment bodies audited for their state of readiness to conduct examinations	4	4	4	4	None	None
	3.4 Verified marking	3.4.1 Number of subjects for which verification of marking is conducted	92	92	95	95	None	None
	3.5 Moderated internal assessment	3.5.1 Number of subjects for which moderation of internal assessment is conducted	190	195	200	207	7	The inclusion of sites that experienced challenges with the implementation of ICASS and the shadowing of the DHET during on-site support visits to Waterberg TVET College in the Limpopo Province resulted in 7 more subjects being moderated.

TABLE 14: PROGRAMME 3: QUALITY ASSURANCE AND MONITORING *contd.*

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Enhanced education standards <i>contd.</i>	3.6 Accreditation outcomes for private education institutions	3.6.1 Percentage of accreditation outcomes for private education institutions finalised within 12 months of the site visit	99.26% (270/272)	98.16% (213/271)	92%	98.83% (169/171)	6.83%	The unit aims to finalise all outcomes as soon as possible to be able to give institutions feedback on their applications as soon as possible.
	3.7 Monitored private education institutions	3.7.1 Percentage of identified private education institutions monitored after being granted accreditation	94.67% (142/150)	97.09% (200/206)	91%	97.11% (269/277)	6.11%	The unit follows up with institutions rigorously to monitor those that are identified for monitoring.



TABLE 15: PROGRAMME EXPENDITURE

Programme 3	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Quality Assurance and Monitoring	84,525	79,279	5,246	90,635	91,686	(1,051)
Total	84,525	79,279	5,246	90,635	91,686	(1,051)

Linking performance with budgets

The programme received a budget of R90.6 million in the current financial year. The actual expenditure for the year was R91.7 million, which was 1% above budget. The programme spent a significant portion of its budget during the year on the moderation of question papers, verification of marking and examination monitoring for both schools and post-schools. The programme spent 11% (R35.5 million) of its total expenditure on compensation.

Strategy to overcome areas of under performance

There is no underperformance in this programme.

EMPOWERMENT OF WOMEN, YOUTH AND PEOPLE WITH DISABILITIES	
Pillar: Accountability, coordination, and leadership	Bold leadership and strengthened accountability across government and society that responds strategically to Gender-Based Violence and Femicide (GBVF) with clear messaging and adequate technical, and financial resources
	Umalusi reviewed its Employment Equity (EE) Policy to align with EE requirements. Additionally, the organisation has a fully functional EETC, which convenes quarterly to discuss the issues affecting these groups. One of the established criteria for the moderation of question papers specifically addresses bias related to gender-based violence (GBV) and social norms. Any question paper that does not meet this criterion may not be approved for administration. The moderation instrument, which includes this criterion, was mediated to the newly appointed external moderators during their training on 14 March 2025.
Pillar: Prevention and rebuilding social cohesion	Shift away from toxic masculinities towards embracing positive alternative approaches for expressing masculinities and other sexual and gender identities within specific communities and groups
	Umalusi reviewed its Harassment Policy, which outlines guidelines for handling sexual and other forms of harassment. The Policy will be submitted to the Council for approval after consulting with all relevant stakeholders.
	Changed behaviour and social norms within key groups as a result of the rollout of evidence-based prevention interventions
	During site visits, anti-discrimination policies are reviewed as part of the accreditation process. The monitoring instruments have also been amended to require accredited institutions to submit copies of their anti-discrimination policies for verification. External moderators continued to implement the plan by ensuring that assessment bodies adhered to the criteria related to language and bias, maintaining neutrality regarding gender, culture, race, and religion when developing question papers.

EMPOWERMENT OF WOMEN, YOUTH AND PEOPLE WITH DISABILITIES *contd.*

Pillar: Prevention and rebuilding social cohesion <i>contd.</i>	TVET and AET external moderators were reminded of the moderation criteria during training workshops conducted in June 2024. Additionally, Umalusi appointed a service provider to render and coordinate the Employee Wellness Programme (EWP). This service provider regularly distributes desktop pamphlets for awareness campaigns tied to national calendar events and conducts awareness talks on these programmes.
Pillar: Economic empowerment	Accelerated initiatives that address women's unequal economic and social position through access to government and private sector procurement, employment, housing, access to land, financial resources, and other income-generating initiatives
	Umalusi's specific goals focused on women, youth, and people living with disabilities as empowered groups. Umalusi appointed 269 suppliers (22 multi-year contracts and 247 once-off RFQs) during the year under review for the procurement of goods and services with a total contract value of R20.5 million. The ownership profile of the above suppliers is as follows: Black = 59% Women = 38% Youth = 14% People living with disabilities = 6% Umalusi has approved an EE Plan covering the period from 1 September 2023 to 30 August 2026. The plan includes targets to attract individuals with disabilities, aiming to employ two people from the designated group.
Pillar: Research and information management Strengthened use of existing research findings to shape GBV Policy and programming interventions	Umalusi's external moderators received training on various quality assurance processes. During this training, the mediation of the moderation instrument sensitised moderators to the use of sensitive material that could introduce bias, ensuring greater awareness as they conduct the moderation process. The training also emphasised the importance of avoiding inappropriate language and bias in question papers.
Challenges encountered when prioritising delivery for these designated groups	
The employment of People with Disabilities (PwD) continues to be a challenge, despite the organisation's efforts such as checking the PwD database and sharing job postings with disability organisations.	
Corrective steps to be taken in dealing with challenges	
Umalusi will continue to encourage youth and people with disabilities to apply in its recruitment advertisements.	

4. REVENUE COLLECTION

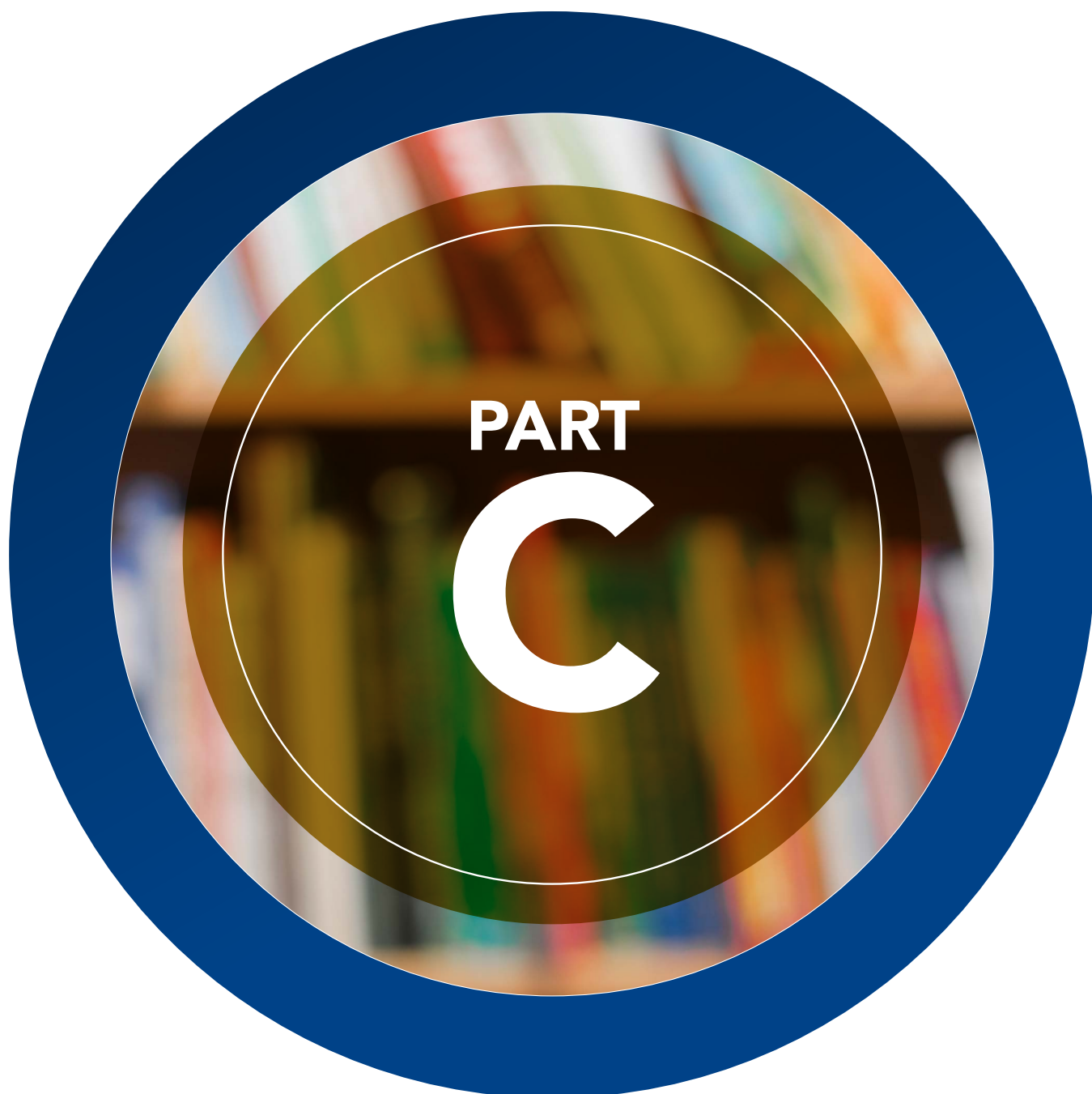
Sources of revenue	2023/2024			2024/2025		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Grant Allocation	162,945	162,945	-	166,918	166,918	-
Accreditation Fees	10,796	7,264	3,532	7,100	7,055	45
Certification Fees	2,776	7,827	(5,051)	7,700	8,574	(874)
Verification Fees	13,249	18,448	(5,199)	18,200	21,367	(3,167)
Rental Income	1,812	1,298	513	1,350	1,452	(102)
Other Income	3,782	3,532	250	2,860	6,135	(3,275)
Interest Received	2,068	4,672	(2,604)	4,100	3,446	(654)
Donations - AEAA	-	-	-	-	1,680	(1,680)
Total	197,428	205,986	(8,558)	208,228	216,627	(8,399)

A grant from DBE increased by 2.5% from R162.9 million in the 2023/24 financial year to R166.9 million in the 2024/25 financial year. Own revenue has increased by 15.6% from R43 million in the 2023/24 financial year to R49.7 million in the 2024/25 financial year. The 15.6% increase in own revenue has moved the grant and own revenue ratio from 79:21 in the 2023/24 financial year to 77:23 in the 2024/25 financial year.

5. CAPITAL INVESTMENT

Infrastructure projects	2023/2024			2024/2025		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Refurbishment of Thuto-Mfundo Building	-	9,174	(9,174)			
Refurbishment of Umalusi House	-			417	417	-
Total	-	9,174	(9,174)	417	417	-

Umalusi has spent R417,000 in the current financial year on designs for the refurbishment of the Umalusi House building.



GOVERNANCE

1. INTRODUCTION

Ethical and effective leadership provides the fundamental principles for good governance in every organisation. The King IV Report on Corporate Governance defines good corporate governance as assisting an organisation in achieving an ethical culture, good performance, effective control, and legitimacy. Accordingly, The Public Finance Management Act (PFMA), Act 1 of 1999, as amended, provides for the establishment of accounting authorities for public entities to be accountable for the purposes of the Act. The Council is an accounting authority for Umalusi and is accountable and responsible to the Minister of Basic Education for the performance and affairs of Umalusi.

2. PORTFOLIO COMMITTEES

During the financial year under review, Umalusi met with the portfolio committee to discuss various matters, as outlined in the table below. Notably, many of the issues raised during the Portfolio Committee meetings were related to irregularities and infrastructure, which are primarily the responsibility of the Department of Basic Education (DBE).

Name of Committee	Date of the meeting	Matters under discussion
Portfolio Committee on Basic Education	17 September 2024	The State of Readiness of the Department of Basic Education to conduct, administer and manage the 2024 end-of-year National Senior Certificate examinations.
Portfolio Committee on Basic Education	16 October 2024	Umalusi's 2023/24 Annual Report
Portfolio Committee on Basic Education	22 October 2024	The state of readiness of the public and private assessment bodies to manage and conduct the 2024 end-of-year national examinations in respect of the: • National Senior Certificate (NSC)
Portfolio Committee on Basic Education	14 February 2025	The quality assurance processes that were conducted in relation to the November 2024 National Senior Certificate examinations and assessments.
Select Committee on Education, Sciences and Creative Industries	18 February 2025	The quality assurance processes that were conducted in relation to the November 2024 National Senior Certificate examinations and assessments.

3. EXECUTIVE AUTHORITY

Umalusi is an entity that reports to the Minister of Basic Education, who oversees its financial and non-financial performance. During the financial year under review, the following reports were submitted to the executive authority:

Report	Date of submission	Umalusi received feedback on the submission of these reports, and the executive authority suggested areas for improvement where applicable; however, there were no material issues raised.
2023/24 Q4 Performance and Financial Reports	30 April 2024	
2024/25 Q1 Performance and Financial Reports	30 July 2024	
2024/25 Q2 Performance and Financial Reports	30 October 2024	
2024/25 Q3 Performance and Financial Reports	30 January 2025	
2023/24 Annual Report	30 August 2024	
2025-2030 Strategic Plan	30 January 2025	
2025/26 Annual Performance Plan	30 January 2025	

4. THE ACCOUNTING AUTHORITY - COUNCIL

The delegated functions of the Council are set out in the Umalusi Council Charter, reviewed and approved in November 2021, affirming the Council as the focal point and custodian of corporate governance for Umalusi. These responsibilities have been established in terms of Section 6 (1)(a) of the General and Further Education and Training Quality Assurance (GENFETQA) Act. No. 58 of 2001. The Council's key critical responsibilities include formulating, monitoring, and reviewing the organisation's strategy, annual budgets, and business plans, and Umalusi's risk management strategy.

4.1 Successes and Achievements

The Council is currently operating on a full scale, with the Minister of Basic Education having filled all its vacancies. The Council successfully developed its Strategic Plan 2025-2030 in line with the Medium-Term Development Plan (MTDP). This was followed by the 2025-26 Annual Performance Plan, both tabled and approved by Parliament.

As part of its responsibilities to strengthen the legislative mandate of the organisation, the Council, through the Executive Committee of the Council (EXCO), as delegated, approved all the examinations conducted in the year under review, mainly the approval of the 2024 National Senior Certificate examinations results for these assessment bodies being the Department of Basic Education (DBE) Independent Examinations Board (IEB) and the South African Comprehensive Assessment Institute (SACAI).

The Council approved and provided the Executive Management Team with capital for Umalusi to host the

40th Association for Educational Assessment in Africa conference, which was successfully held in Cape Town, Republic of South Africa, from 19 to 23 August 2024.

Having noted and accepted Dr Kodisang's resignation from the Qualifications Standards Committee (QSC), the Council appointed Dr Shirley Lloyd in her place.

Emanating from the workshops held in September 2024 and February 2025, the Council successfully considered and approved various operational policies and the updated policy register. Significantly, the Council approved the Risk Management Strategy and Risk Management Appetite policy as part of the process to manage and minimise the organisational risks.

The Executive Committee of the Council (EXCO) resolved in its meeting that the Executive Management Team should develop an instrument for evaluating the Council and its Committees. To this end, as part of the implementation and pilot, it was agreed that the process would start with the Council and be evaluated later. As directed, Management developed the instrument, and the Council members participated in the self-evaluation exercise.

The outcome was tabled at the February 2025 Council meeting and was well received by Council. The report highlighted the need for a structured orientation for the new Council members. It also showed a functioning Council adhering to corporate governance principles under stable and capable leadership. The Council further resolved that its self-evaluation should be conducted annually.



4.2 Composition of the Council

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Prof. Y Ballim	Chairperson	8/06/2022	n/a	PhD	Civil Engineering, Higher Education and Leadership	• CSIR: ABB Education Trust; • Gallagher Foundation Trust	• EXCO • ASC	6/6
Mr D Hindle	Member	8/06/2022	n/a	BEd Hons	Sociology & Comparative Education	• ETDI SETA • SADTU SACCO	• EXCO • Qualifications Standards Committee (QSC)	6/6
Dr MS Rakometsi	CEO	8/06/2022	n/a	PhD LLB	Education	• Association for Educational Assessment in Africa • CHE • Helderberg College of Higher Education Council • International Association for Educational Assessment • Maluti Adventist College Council • QCTO • SAQA Board	• Ex-officio member of all Umalusi Council Committees	6/6
Mr NT Johnstone	Member	8/06/2022	n/a	BSc HE Diploma	Physiology Education Finance Governance	• Independent Examinations Board • JET Education Services • Christian Brothers Association	• Member Umalusi Audit and Risk Committee (ARC)	6/6

4.2 Composition of the Council *contd.*

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Advocate MJ Merabe	Member	8/06/2022	n/a	LLM	Education Law	n/a	Chairperson: Accreditation Appeals Committee	4/6
Prof. M Metcalfe	Member	8/06/2022	n/a	Masters in Education	Education	- PILO - SAIDE - Claude Leon Trust	Research Forum	4/6
Dr C Myburgh	Member	8/06/2022	n/a	BCom BCom (Hons) MCom PhD	Industrial Psychologist (HPCSA) Higher Education Management Student Administration Institutional Governance	n/a	- Chairperson of the Accreditation Committee of Council (ACC) - Matriculation Board (USAf) - CHE Institutional Audit Committee (March 2025)	6/6
Mr V Naidoo	Member	8/06/22	n/a	B. Paed BEEd (Hon)	Vocational Education and Training Quality Assurance Skills Development	- SAQA - Umalusi - QCTO - NSA	- Ex-officio member of all QCTO Governance Committees - Committee for Integrated Post-Schooling Education and Training (PSET) Planning - Ex-officio member of NAADAB - CEO Committee	3/6

4.2 Composition of the Council *contd.*

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Dr W Green	Member	8/06/2022	n/a	PhD	Teacher Education Higher Education	• SAQA • UMALUSI • QCTO	• Ex-officio member of all CHE Governance Committees • CEO Committee • USAf Teaching and Learning Strategy Group • Southern African Quality Assurance Network (SAQAN) Executive Committee • DHET National Steering Committee_SB-DP (Sibiso Bengu Development Programme) • Committee for Integrated Post-Schooling Education and Training (PSET) Planning. • SARCHI Teaching and Learning Advisory Board • Higher Education Learning and Teaching (HELTASA) Board	2/6

4.2 Composition of the Council *contd.*

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Dr W Green <i>contd.</i>							- Teaching Advancement in Universities (TAU) Advisory Board - Centre for International Teacher Education (CITE) Advisory Board	
Ms F Solomon	Member	8/06/2022	n/a	Diploma in Education BA ACE	Education Policy Education Labour Relations	- ETDP SETA - SACE - SAQA	- SADTU NEC - NEAC - NEIC	6/6
Prof. TP Msibi	Deputy Chairperson	8/06/2022	n/a	B.Ed. B.Ed. (Hons) Ed. M PhD	Education	- SAIDE - GALA - UKZN Extended Learning	EXCO	4/6
Dr KM Dos Reis	Member	8/06/2022	n/a	D Ed	Accounting Education Mentoring Service Learning Teacher Professional Development Postgraduate supervision	CHE Institutional Audit Committee	Chairperson of the Information and Communication Technology Oversight Committee (ICTOC)	5/6
Dr L Mokotjo	Member	8/06/2022	n/a	PhD in Mathematics Education	Education	n/a	Govan Mbeki Mathematics Development Centre (GMMDC)	6/6

4.2 Composition of the Council *contd.*

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Prof. L Jifa	Member	8/06/2022	n/a	PhD	Science Education/ Mathematics Education / Curriculum and Education Policy	n/a	Assessment Standards Committee (ASC)	6/6
Ms N Starr	CEO: SAQA	8/06/2022	n/a	Master's in Education	Education	• CHE • QCTO • SAQA • CEO Committee • HRDC	Committee for Integrated Post-Schooling Education and Training (PSET) Planning	3/6
Ms LH Moyane	Member	06/09/2022	n/a	Secondary Teachers Diploma BA Diploma in Special Education BA (Hon) Cum Laude MA African Languages	Education and Leadership	n/a	n/a	4/6
Ms T Futshane	DHET representative	28/10/2023	n/a	Master of Social Change and Development Post Graduate Certificate in Social Change and Development	Higher and Basic Education Training and Development Strategic and Operational Planning Policy Development	ETDP SETA Accounting Authority	ETDP SETA Accounting Authority Human Resource Committee	3/6

4.2 Composition of the Council *contd.*

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams	No. of Meetings attended
Ms T Fufshane <i>contd.</i>					and Implementation Organisational Development Change Management Human Development			
Dr B Mthembu	DBE representative	21/11/2023	n/a	PhD in Philosophy	Education	n/a	n/a	5/6

5. COMMITTEES OF THE COUNCIL

Chapter 10, Section 9.15 of the Umalusi Council Charter establishes the Council Committees. It further states that the Council may establish one or more committees to perform such functions as it determines.

The Council is responsible for ensuring that each committee has members with the necessary knowledge and skills to execute its functions.

The Council establishes various governance Committees, which are delegated the responsibility of dealing with various specific operational matters within the organisation.

These Committees are:

- i. Executive Committee of Council (EXCO),
- ii. Accreditation Appeals Committee (AAC)
- iii. Accreditation Committee of Council (ACC)
- iv. Audit and Risk Committee (ARC)
- v. Assessment Standards Committee (ASC)
- vi. Information and Communications Technology Oversight Committee (ICTOC)
- vii. Qualifications Standards Committee (QSC), and
- viii. Research Forum (RF)

All the above-listed committees, headed by the various chairpersons who are members and non-members of the Council, have been tasked, guided by the Charters and Terms of Reference, to assist the Council in delivering its mandate. It is worth noting that membership of these committees, except the EXCO, comprises external non-council members with expertise in various relevant fields.

Notwithstanding the critical roles of these other committees, it is worth noting that the Audit and Risk Committee was established to advise the Council on risk management strategy, fraud prevention, and a strategy as a norm to ensure that the principles of good corporate governance are followed.

5.1 Executive Committee of the Council (EXCO)

The EXCO like other Committees of the Council has been established and tasked with the following roles and responsibilities and powers:

- To act on behalf of Council on urgent matters with subsequent reporting to Council.

- To approve the strategic plans, annual performance plans, quarterly and annual performance reports, and the budget of the organisation on an annual basis.
- To approve transactions within its delegated authority limit.
- To review material strategic initiatives and recommend such to Council.
- To consider emerging issues that may be material to the business and affairs of the entity and the realisation of the entity's agreed strategy.
- To make recommendations to Council on policy issues.
- To review financial reports from management as well as approve fees and rates applicable to various processes within the organisation.
- To initiate any special investigations within the entity.
- To approve examination results as delegated by the Council.
- To report to Council at each Council meeting and so often as may otherwise be deemed necessary.
- To address remuneration matters whenever the need arises.
- To deal with any other matter delegated to it by the Council.

5.1.1 Membership of the EXCO

The Executive Committee consists of members appointed by the Council. The members of the committee are strictly Council members. The Chairperson and Deputy Chairperson of EXCO are the Chairperson and Deputy Chairperson of the Council. In addition to Council members, the Chief Executive Officer is an ex-officio member by virtue of his position.

5.1.2 Achievements

The EXCO managed to hold all four of its meetings per the organisation's approved schedule. In the period under review, EXCO successfully recommended the Umalusi Strategic Plan (2025-2030) and the 2025/26 Annual Performance Plan, all quarterly reports, and financial reports to the Council for approval. EXCO recommended the approval of all the examination results for qualifications offered by the various assessment bodies, as registered on the Umalusi Qualifications Sub-Framework. The EXCO also recommended the approval of the 2025/26 quality assurance services fees and tariffs, including the appointment of the Umalusi External Auditors, PricewaterhouseCoopers (PwC).

5.1.3 Meetings

The table below provides details of the EXCO meetings held in the period under review.

Committee	No. of meetings held	No. of members	Names of members
Executive Committee	04 25 April 2024 31 July 2024 31 October 2024 29 January 2025	6	Prof Y Ballim (Chairperson) Prof TP Msibi (Deputy Chairperson) Mr D Hindle Dr L Mokotjo Dr C Myburgh Dr MS Rakometsi (CEO)

5.2 Accreditation Appeals Committee (AAC)

The functions of the AAC, as contained in its approved Terms of Reference, are as follows:

- To ensure that private providers of education and training and assessment bodies have an opportunity to appeal against a decision or outcome felt to be unjust.
- Hearing of provider and external stakeholder appeals in adherence with Umalusi's appeals policies and procedures; and making recommendations to Council.
- To provide or source appropriate advice and guidance in respect of the legal aspects / implications of policies and/or official positions related to Umalusi's quality assurance initiatives and related functions.

5.2.1 Membership of the AAC

The Accreditation Appeals Committee consists of one legal expert and two professional persons qualified and experienced in accreditation, appointed by Umalusi Council.

The Chairperson of the Committee is a member of Umalusi Council, and the two professional persons are nominated by the two other Quality Councils, namely the Council on Higher Education (CHE) and the Quality Council for Trades and Occupations (QCTO).

5.2.2 Achievements

The following achievements were noted for the AAC in the period under review.

Appeals against the no accreditation decisions

A total of five appeals against the no accreditation decisions were presented to the AAC between 1 April 2023, and 31 March 2024, three from independent schools and two from FET private colleges. After consideration of the evidence presented, the AAC recommended to the EXCO that each of the appeals should fail. The EXCO considered the recommendations, and all five appeals (100%) were unsuccessful.

5.2.3 Meetings

Committee	No. of meetings held	No. of members	Names of members
Accreditation Appeals Committee (AAC)	02 5 July 2023 28 November 2023	3	Adv. M Merabe (Chairperson) Dr P Dlamini Mr D Thaga

5.3 Accreditation Committee of Council (ACC)

The functions of the ACC as contained in its approved Terms of Reference are as follows:

- Contribute to the quality assurance of provision in the private education sector for all qualifications registered on the GFETQSF.
- Support the work of the Evaluation and Accreditation (E&A) unit.
- Consider the recommendations of the E&A secretariat in respect of the accreditation of an institution.
- Work on reports on the accreditation applications of private education institutions and present findings at the ACC meeting.
- Recommend the accreditation status of a private education institution or private assessment body.
- Recommend the withdrawal of the accreditation status of a private education institution or private assessment body.

Provide input for the development of policies on the accreditation and monitoring of private education institutions and private assessment bodies.

5.3.1 Membership of the ACC

- The Terms of Reference provides for the Committee to consist of thirteen (13) Council-appointed members; however, the Council made a concession for the ACC membership to comprise 14 members at the beginning of the term of the current ACC. One ACC member resigned in July 2024. The ACC comprised of 13 members at the end of the financial year.
- The committee members are made up of:
 - one (1) member selected from the Council membership to act as Chairperson;
 - a team of twelve (12) members from the private and public sectors that Umalusi serves;
 - a deputy chairperson selected from the twelve (12) appointed members.
- Umalusi staff members act as *ex-officio members*.

5.3.2 Achievements

Between 1 April 2024 and 31 March 2025, five (5) sittings of the Accreditation Committee of Council were conducted. During this period, the ACC considered and made recommendations on 321 reports for independent schools, 71 reports for private Further Education and Training (FET) colleges, and one private Adult Education and Training (AET) college. These included 138 monitoring reports for independent schools, 29 monitoring reports for private FET colleges, and one monitoring report for a private AET college. In total, 393 reports were considered by the Committee.

5.3.3 Meetings

Committee	No. of meetings held	No. of members	Names of members
Accreditation Committee of Council (ACC)	05 07 and 08 May 2024 22 and 23 July 2024 16 and 17 September 2024 11 and 12 November 2024 10 and 11 January 2025	13	Dr C Myburgh (Chairperson) Dr S Govender (Deputy Chairperson) Mr J Abraham Mr D Barnard Dr M Buthelezi Ms M Cilliers Ms M Mbaco Ms N Mbuli Mr R Mehl Dr N Mthiyane Dr P Naicker Prof. Z Ngcobo Mr J Pienaar Dr N Mthethwa (resigned 29 July 2024)

5.4 Audit and Risk Committee (ARC)

The Audit and Risk Committee provides independent, objective oversight and reviews. However, it does not assume any management responsibilities or performs any management functions. The Audit and Risk Committee makes decisions on matters relating to the scope of its

responsibilities and presents such decisions to the Council for ratification. The Audit and Risk Committee executes its function through close liaison and communication with management, the external and internal auditors and other governance risk and control service providers.

5.4.1 Membership of the ARC

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr P Benade	BCom: National Diploma (State accounting and finance)	External		22 September 2022 01 September 2018	N/A	22 April 2024 28 May 2024 31 May 2024 22 July 2024 28 Oct 2024 27 January 2025 (6 meetings attended)
Mr NT Johnstone (Council member)	BSc Physiology	External		22 September 2022 01 September 2018	N/A	22 April 2024 28 May 2024 31 May 2024 22 July 2024 28 Oct 2024 27 January 2025 (6 meetings attended)
Mr P Khunou	BCom (Accounting; Senior leadership Development programme)	External		22 September 2022 01 September 2018	N/A	22 April 2024 22 July 2024 28 Oct 2024 (3 meetings attended)
Adv WL Lubbe	Bachelor of Law: LLB Postgraduate Diploma in Compliance	External		22 September 2022 01 September 2018	N/A	22 April 2024 28 May 2024 31 May 2024 22 July 2024 28 Oct 2024 27 January 2025 (6 meetings attended)
Mr VG Magan	CA (SA) Masters Degree in Business Leadership	External		22 September 2022	N/A	22 April 2024 28 May 2024 31 May 2024 28 Oct 2024 27 January 2025 (5 meetings attended)

5.4.1 Membership of the ARC *contd.*

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ms MM Phiri	CA(SA)	External		22 September 2022	N/A	22 April 2024 28 May 2024 31 May 2024 28 Oct 2024 (4 meetings attended)
Adv A Chowan	LLB(Cum laude); CA(SA)	External		22 September 2022	N/A	22 April 2024 28 May 2024 31 May 2024 28 Oct 2024 27 January 2025 (5 meetings attended)
Dr L Mphahlele-Ntsasa	PhD: Leadership (Strategic Management Framework for Inter-governmental Collaborations)	External		22 September 2022	N/A	22 April 2024 28 May 2024 22 July 2024 28 Oct 2024 27 January 2025 (5 meetings attended)

5.4.2 Achievements

The Committee adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with the charter and has discharged all its responsibilities as contained therein. The Council has approved the charter.

5.4.3 Meetings

Committee	No. of meetings held	No. of members	Names of members
Audit and Risk Committee (ARC) Of Council	6 22 April 2024 28 May 2024 31 May 2024 22 July 2024 28 October 2024 27 January 2025	8	Mr P Benade (Chairperson) Mr NT Johnstone Mr P Khunou (DBE CFO) Adv WL Lubbe Mr VG Magan CA(SA) Ms MM Phiri CA(SA) Adv A Chowan CA(SA) Dr L Mphahlele-Ntsasa

5.5 Assessment Standards Committee (ASC)

5.5.1 Functions and Membership

The functions of the ASC, as contained in its approved Terms of Reference, are as follows:

- Support the work of the Quality Assurance of Assessment and Statistical Information and Research units.
- Provide guidance to the Quality Assurance of Assessment and Statistical Information and Research units on matters relating to its work in establishing, maintaining and improving the standard and quality of assessments in the South African education system;
- Provide guidance to Council on all matters related to assessment standards and statistical research aimed at establishing and improving the standard and quality of assessments and examinations in the South African education system;
- Carry out the process of standardisation of internal assessment and examination results for all qualifications registered on the GFETQSF, including the Senior Certificate (amended) (SC(a)), the National Senior Certificate (NSC), the National Certificate (Vocational) [NC(V)], NATED Report 190/191 Engineering Studies N2-N3 and the General Education and Training Certificate): Adult Basic Education and Training (GETC: ABET) ;
- Engage with reports on the quality of the assessments of qualifications registered on the GFETQSF;
- Review, on a regular basis, the statistical and educational validity of the moderation and standardisation policies, processes, and procedures;
- Provide input for the development of policies on the quality assurance of assessment;
- Where applicable, the Committee will assist with identifying research needs that will enhance the quality of assessments and examinations of qualifications registered on the GFETQSF.
- The Committee will consist of fourteen (14) Council-appointed members, but currently there are fifteen (15) members.
- The Chairperson of the Committee is a member of the Umalusi Council.

5.5.2 Achievements

5.5.2.1 Standardisation of results

The Assessment Standards Committee successfully standardised the following examination results during the 2024/2025 financial year:

a. DHET NATED N2-N3 Report 191	April 2024
b. IEB GETC: ABET	June 2024
c. SACAI GETC: ABET	June 2024
d. DHET GETC: ABET	June 2024
e. IEB NSC	May/June 2024
f. SACAI NSC	May/June 2024
g. DBE NSC	May/June 2024
h. DBE SC(a)	May/June 2024
i. DHET NATED N2-N3 Report 191	August 2024
j. IEB EoR GETC: ABET	September 2024
k. IEB GETC: ABET	October 2024
l. SACAI GETC: ABET	October 2024
m. DHET GETC: ABET	October 2024
n. IEB NSC	November 2024
o. SACAI NSC	November 2024
p. DBE NSC	November 2024
q. DHET NATED N2-N3 Report 191	November 2024
r. DHET NCV	November 2024
s. IEB EoR GETC: ABET	March 2025
t. DHET NCV Materials L2	November 2024, rewrite

5.5.3 Meetings

Committee	No. of meetings held	No. of members	Names of members
Assessment Standards Committee (ASC)	03 08 May 2024 01 November 2024 12 February 2025	15	Professor LC Jita (Chairperson) Professor M Monnapula-Mapesela (Deputy Chairperson) Professor Y Ballim (Chairperson of Council) Professor M Moodley Professor S Maistry Professor M Basitere Dr KB Samuel Professor SM Mosia Professor MR Mampane Professor DE North Mr M Monnane Professor NS Zulu Professor MA Lesaoana Professor S Hansraj Dr R Jacobs Dr NP Zondo

5.6 ICTOC

The functions of ICTOC are as follows:

Umalusi Council established the ICTOC to oversee ICT governance within the organisation. The committee's strategic role is stated in the Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF), September 2022, as developed by the Department of Public Service and Administration (DPSA).

5.6.1 Membership of the ICTOC

- The Committee consists of five Council-appointed members. The Chairperson of the Committee is a member of the Umalusi Council.

5.6.2 Meetings

Committee	No. of meetings held	No. of members	Names of members
ICTOC	04 12 April 2024 12 July 2024 10 Oct 2024 19 Jan 2025	5	Dr K Dos Reis (Chairperson) Mr P Maine Ms M Phiri Mr S Ndaba Mr A Latchu

5.6.3 Achievements

For the period under review, the ICTOC recommended the approval of the following policies to the Council:

- ICT Security Policy
- ICT Asset Management Policy

5.7 Qualifications Standard Committee (QSC)

The Qualifications Standards Committee (QSC) is a committee of the Umalusi Council comprising fourteen (14) distinguished and qualified professionals with vast knowledge and expertise in areas of assessment, curriculum, and qualifications within the National Qualifications Frameworks (NQF).

5.7.1 Membership

Among the fourteen (14) members, one (1) is a member of the Umalusi Council, elected to chair the committee. The CEO of Umalusi serves on the committee as an ex-officio member. The South African Qualifications Authority (SAQA), the Council for Higher Education (CHE), and the Quality Council for Trades and Occupations (QCTO) have representatives in this committee. The committee plays a pivotal role in supporting and helping Umalusi to achieve its strategic objectives and fulfil its legislative mandate. Table 1 below provides a list of the members of the committee.

5.7.2 Functions of the Qualifications Standard Committee

The functions of the QSC, as contained in its approved Terms of Reference (ToR), are as follows:

- Provide guidance in the formulation of suitable qualifications, which meet the standards as set out by the Minister and South African Qualifications Authority (SAQA);
- Advise Umalusi on the development or review of qualifications/programmes/curricula and stakeholder engagement strategies.
- Approve in principle the need to develop or review a qualification, programme, or curriculum based on predetermined criteria.
- Develop criteria for appointing members to Qualifications Reference Groups (QRGs) and appoint such members when needed.
- Approve delegation of responsibilities (e.g., curriculum development) to appropriate bodies.
- Recommend qualifications in their final form to the Umalusi Council for approval.
- Advocate for qualifications on the GFETQSF, when requested, as individual committee members.
- Perform any other functions deemed necessary by the Umalusi Council relevant to the committee's role.

- Reach consensus on major decisions before matters are presented to the Council.
- Report to the Chair of the Umalusi Council.

5.7.3 Achievements

The following achievements were noted for the QSC in the period under review:

- 1.1 Approval for the inclusion of the Mining Qualifications Authority Mining and Minerals electives into the Umalusi GETC: ABET qualification.
- 1.2 The Umalusi Articulation Policy for Qualifications in the GFETQSF has been gazetted for implementation.

The Qualifications Standard Committee (QSC) had three (3) fairly attended meetings during the 2024/25 financial year. It was during these meetings that QSC oversaw a number of policy initiatives, reviews, and completion of such policies. The Policy for the General and Further Education and Training Qualifications Sub-framework (GFETQSF) was and is still under review under the watchful eye of the QSC. The Articulation Policy for Qualifications in the General and Further Education and Training Qualifications Sub-framework has been gazetted for implementation. The QSC also presided over qualification issues, namely the request by the Mining Qualifications Authority (MQA) to include their vocational Mining and Minerals electives in the Umalusi's General Education and Training Certificate, which was approved by the Umalusi Council. The QSC further deliberated on the Ministerial Task Team established to oversee the evaluation and implementation of the National Senior Certificate for Adults (NASCA). The task team completed its work, and it will cease its work by the end of June.

Furthermore, the QSC considered and made recommendations to Council regarding the:

- 1.1 Internalisation of external examinations of the National Certificate (Vocational) [NC(V)] Levels 2 and 3;
- 1.2 Evaluation and recognition of Foreign Qualifications;
- 1.3 Applicability of Micro-credentials for the GFETQSF;
- 1.4 Lack of a qualification for learners at the Schools of Skills;
- 1.5 Implications for the Proclamation of the NQF Amendment Act 12 of 2019;
- 1.6 Developments in the General Education Certificate;
- 1.7 Online schooling;
- 1.8 Progress on the implementation of the National Senior Certificate for Adults;
- 1.9 Review of the policy for the GFETQSF; and
- 1.10 Review of the General and Further Education and Training Qualifications Act (GENFETQA) Act No. 58 of 2001 (as amended in 2008).

5.7.4 Meetings

Committee	No. of meetings held	No. of members	Names of members
QSC	03 05 June 2024 10 October 2024 05 February 2025	14	Mr D Hindle (Chairperson) Mr H Theodore Amooore Mr T McBride Mr J Nel Dr B Mahlobo Mr T Lata (retired in the after the 2 nd meeting and replaced with Ms Diane Kemp from the 3 rd meeting) Mr C Pereira Dr L Maluleke Ms M du Toit Mr J Moloisane Dr S Khumalo Dr C America Dr S Kodisang (Resigned) Ms F Kanise Dr S Lloyd

5.8 Research Forum (RF)

5.8.1 Functions and Membership

Members of the Research Forum will offer input and support to Umalusi's Statistical Information and Research unit. The Forum plays a key role in strengthening the organisation's research function by providing the following:

- Advisory support to guide the research work of the unit.
- Strategic input to shape the direction of research activities.
- A platform for networking and collaboration with other research organisations.
- Support for the dissemination of research findings through Umalusi's publications and other media channels.

5.8.2 Achievements

In the 2024/25 annual cycle, the Research forum held two meetings, as stipulated in the terms of reference. The first meeting was held virtually on 17 April 2024. The meeting focused on several critical issues. The Department of Basic Education (DBE) updated the RF on the Draft competency Framework, which builds on existing systems, addressing gaps without overhauling the curriculum, focusing on DBE's current and future vision. Umalusi subsequently submitted a response document, through the Chairperson of the RF, to support the strengthening of the Draft Competency Framework. The DBE also updated the RF on developments on the Three Streams Model. DBE will return to Umalusi in the next financial cycle to explain the connection between the Three Streams Model and the General Education Certificate (GEC) as a National

Qualification Framework (NQF) Level 1 qualification. Lastly, the chairperson of the RF updated the forum on HEDCOM's decision on language compensation. A draft position paper arguing against language compensation being situated within the mandate of Umalusi was presented, strengthened, and subsequently shared with the DBE.

The second meeting of the Research Forum was held virtually on 21 October 2024. Several key topics from the Council were discussed, including Mathematics performance, the standards of the National Senior Certificate (NSC) examinations, and collaborations with educational stakeholders. A dedicated task team was established to address challenges related to Mathematics performance.

The Ministerial Task Team on the National Senior Certificate for Adults (NASCA) also provided an update on the progress made in developing this qualification. Additionally, Umalusi presented a report on the 40th Association for Educational Assessment in Africa (AEAA) conference, which it successfully hosted in August 2024.

Members were invited to assist in reviewing articles for the upcoming AEAA journal. In total, 60 papers were reviewed, with contributions from several Research Forum members.

The task team on the performance of Mathematics had two meetings, on 22 November 2024 and 17 January 2025. The meetings conceptualised and finalised a proposed programme for a colloquium series, to address Mathematics performance in schooling and beyond schooling. The series will take place in the 2025/26 financial cycle.

5.8.3 Meetings

Committee	No. of meetings held	No. of members	Names of members
Research Forum	04 17 April 2024 21 October 2024 22 November 2024 (Task Team meeting) 17 January 2025 (Task Team meeting)	10	Prof. Mary Metcalfe (Chairperson) Prof. V Schoer Prof. S Akoojee Prof. R Seshoka Prof. S Vandeyar Dr V Reddy Dr M McFarlane Dr H Bolton Dr B Hobololo Prof M Rankhumise

6. RISK MANAGEMENT

During this period, Umalusi developed and approved a Risk Management Framework, Risk Management Committee Charter, and Risk Management Policy. Furthermore, the Risk Management Implementation Plan, Risk Strategy, Risk Appetite and Tolerance Statements were also approved. These foundational documents provide clear guidance and structure for the systematic identification, assessment, and mitigation of risks or uncertainties that could impact the organisation. Additionally, Risk Champions were appointed in each unit to enhance risk management capabilities, supported by necessary training.

A comprehensive risk assessment was conducted with executive management to update the Risk Register. This assessment was aligned with the annual performance plan to ensure that risk management contributes to improved organisational performance. Emerging risks continue to be identified through ongoing monitoring, thereby enhancing Umalusi's ability to proactively manage risks.

Umalusi has an established internal Risk Management Committee (RMC), chaired by the CEO. The RMC oversees the risk management system and meets regularly to review risk assessments, mitigation plans, and overall progress. The committee submits quarterly reports to the Audit and Risk Committee (ARC), advising on identified

risks and the status of controls implemented to mitigate unacceptable risks.

The ARC plays an independent advisory role, reviewing the results of risk assessments and the effectiveness of risk mitigation efforts. The ARC reviews and approves the Risk Register and monitors the implementation of risk mitigation plans based on quarterly reports from the Risk Management Committee (RMC). This dual oversight ensures the robustness of the entity's risk management system.

The outcomes of the risk assessments inform internal audit plans and support continuous improvement in risk management practices. All employees have participated in workshops on risk management, reinforcing understanding and enabling communication of approved policies. Umalusi aims to enhance its position in the National Risk Maturity Survey each year. In the 2024/25 financial year, Umalusi conducted the survey and achieved a maturity level of 4.4. This marks a significant advancement from the previous rating of 2.4, demonstrating notable progress in the risk maturity of the organisation. The monitoring and reporting of risk mitigation implementation indicate steady progress, which positively impacts the entity's overall performance.

7. INTERNAL CONTROL UNIT

The organisation does not have a separate internal control unit due to its size; instead, each business unit (Programme) is responsible for ensuring the proper functioning of internal controls within its area. The organisation's system of internal controls is designed to be both adequate and effective in achieving good performance outcomes. These controls also ensure that financial records are complete, accurate, reliable, and verifiable.

The internal control environment is further strengthened by approved policies, which are regularly reviewed. These reviews take into account auditor recommendations, changes in the legislative environment, and newly identified risks. Policies and procedures are communicated

clearly to all staff and are continuously updated to adapt to the evolving operational landscape.

Monitoring of internal controls occurs on a daily basis and is reported to executive management monthly during the OCEO meetings. Independent reviews of internal controls are conducted by the appointed internal auditors, a function outsourced to Nexia SAB&T, who report directly to the Audit and Risk Committee (ARC).

During the year under review, the internal auditors completed all planned audits in accordance with the approved audit plan. All audit findings were reported to the ARC, and management has taken corrective actions as recommended by the auditors to address identified issues.

8. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

Due to Umalusi's nature and size, the internal audit function is outsourced to Nexia SAB&T. The Council did not consider it economical and efficient to establish an in-house internal audit function. Nexia SAB&T reports functionally to the Audit and Risk Committee (ARC) and administratively to the CEO. The internal auditors have unrestricted access to Umalusi's financial records and performance information. In collaboration with management, they developed a comprehensive Three-Year Audit Plan to guide their activities.

The Audit and Risk Committee provides independent, objective oversight and reviews. However, it does not assume any management responsibilities or performs any

management functions. The Audit and Risk Committee makes decisions on matters relating to the scope of its responsibilities and present such decisions to the Council for ratification.

The Audit and Risk Committee executes its function through close liaison and communication with management, the external and internal auditors and other governance risk and control service providers.

The Committee adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with the charter and has discharged all its responsibilities as contained therein. The Council has approved the charter.

Name	Qualifications	Internal or external	Date appointed	Date Resigned	No. of Meetings attended
Mr P Benade	BCom: National Diploma (State accounting and finance)	External	22 September 2022 01 September 2018	N/A	6
Mr NT Johnstone (Council member)	BSc Physiology	External	22 September 2022 01 September 2018	N/A	6
Mr P Khunou (DBE: CFO)	BCom (Accounting; Senior leadership Development programme)	External	22 September 2022 01 September 2018	N/A	3
Adv WL Lubbe	Bachelor of Law: LLB Postgraduate Diploma in Compliance	External	22 September 2022 01 September 2018	N/A	6

Name	Qualifications	Internal or external	Date appointed	Date Resigned	No. of Meetings attended
Mr VG Magan	CA (SA) Masters Degree in Business Leadership	External	22 September 2022	N/A	5
Ms MM Phiri	CA(SA)	External	22 September 2022	N/A	4
Adv A Chowan	LLB(Cum laude); CA(SA)	External	22 September 2022	N/A	5
Dr L Mphahlele-Ntsasa	PhD: Leadership (Strategic Management Framework for Intergovernmental Collaborations)	External	22 September 2022	N/A	5

9. COMPLIANCE WITH LAWS AND REGULATIONS

A compliance checklist has been developed and is updated quarterly. Policies are formulated with careful consideration of the legislative environment to ensure compliance with all relevant laws and regulations. Umalusi reports quarterly to the Department of Basic

Education (DBE) and National Treasury on its compliance status, based on the prescribed compliance checklist. Furthermore, confirmation of compliance is provided to both the Audit and Risk Committee (ARC) and the Council.

10. FRAUD AND CORRUPTION

Umalusi has established a fraud and ethics hotline number as a platform for internal and external stakeholders to report alleged incidents of fraud related to the work and mandate of the organisation. The organisation is currently using the following anti-fraud hotline number: 0800 408 409 and email address: umalusi@whistleblowing.org.za. In the work of Umalusi, typical anti-corruption reports include, but are not exclusive to, examination irregularities, the use of fraudulent certificates and institutions operating

without accreditation, among others. During the reporting period, all the cases involving the sale of fraudulent certificates were referred to the SAPS, while those involving examination irregularities were referred to the relevant assessment body.

Additionally, to raise awareness amongst its employees, Umalusi conducted its first Fraud Prevention and Corruption Awareness session on 1 October 2024, facilitated by the Special Investigating Unit (SIU).

11. MINIMISING CONFLICT OF INTEREST

To minimise the risk of conflict of interest, we have put several proactive processes in place:

Mandatory Declaration of Interest

All officials involved in SCM processes, including Bid Committees (BSC, BEC, BAC) and any staff participating in procurement decisions, are required to complete a declaration of interest form at every stage of the procurement process. This is not treated as a tick-box exercise, but rather as a meaningful commitment to ethical behaviour.

Supplier Declarations

Similarly, prospective suppliers are required to disclose any existing or potential conflict of interest when submitting

bids (SBD 4). This includes disclosing relationships with employees or any interests that could improperly influence the procurement outcome.

Training and Awareness

Regular training and awareness sessions are conducted with SCM staff and other role players to ensure everyone understands what constitutes a conflict of interest, how to identify it, and the importance of declaring it.

Rotation of Bid Committee Members

Where possible, we rotate committee members to avoid familiarity risks, reduce undue influence, and maintain objectivity.

Internal Checks and Balances

We have embedded control mechanisms within our systems. Before the final approvals, declarations are reviewed again to ensure nothing has changed during the process.

The process followed when a conflict of interest is identified:

Immediate Disclosure

The individual involved is required to immediately disclose the nature of the conflict, whether it is direct or indirect.

Recusal

The individual with the conflict is formally recused from any further involvement in that specific procurement process.

This is documented in the minutes of the relevant meeting to ensure transparency and auditability.

Reporting

In line with National Treasury Regulations and our internal policies, where conflicts of interest are identified, they are reported to the relevant structures internally, and if necessary, to external oversight bodies.

Documentation

All steps taken including disclosures, recusals, and decisions are thoroughly documented. This protects both the integrity of the process, and the individuals involved.

12. CODE OF CONDUCT

Employees are required to sign a Code of Conduct that sets rules as to how they should behave in the work environment. The Council and employees are required to observe the highest ethical standards to ensure that business practices are conducted in a manner that is beyond reproach. These principles are incorporated in

the approved and implemented Code of Ethics. This code provides clear guidelines for the behaviour of all employees at all levels. Management continuously ensures that employees abide by the Code of Ethics and the values espoused in the entity's Strategic Plan. No violations of the Code of Conduct were reported during the year.

13. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Umalusi regards Health and Safety of its employees and people affected by the entity's operations to be of vital importance. The primary objective is to achieve and maintain the highest practical level of health and safety control, a working environment that is safe and without risk to the health of its employees. In ensuring a safe and healthy working environment Umalusi will work with employees' representatives and other stakeholders in an appropriate forum to develop programs and guidelines that provide for the health and safety of all stakeholders as far as reasonably practicable.

Environmental sustainability

In making sure that Umalusi complies with other environmental aspects, efforts have been made to make sure that we keep our environment as sustainable as possible.

The following is in place:

- Recycling of used paper and printing consumables.
- Solar geyser at the refurbished Thuto-Mfundo Building;
- Making sure all electrical appliances are switched off at the end of the business day; and
- Encouraging staff to be paperless.

Health and Safety

The CEO has appointed individual employees to form part of the Health and Safety Committee. This committee consists of 10 members (Safety representatives, first aiders and firefighters).

Their responsibilities include, among others, the following:

- Identify potential hazards that may prevail while work is being done, i.e., something is being produced, processed, used, stored or transported, and any equipment is being used;
- Establish necessary precautionary measures to protect employees against the identified hazards and provide the means to implement these measures;
- Provide the necessary information, instructions, training and supervision while keeping the extent of workers' competence in mind. In other words, what they may do and may not do;
- Not permit anyone to carry on with any task unless the necessary precautionary measures and safety thereof has been ensured;
- Follow all steps and procedures to ensure that all the employees complies with the requirements of the OHS Act; and
- Enforce the necessary control measures in the interests of health, safety and wellbeing.

The above are practised to achieve amongst others:

- Commitment to striving for legal compliance in the workplace.
- Management of firefighting equipment—availability, inspections, and servicing of this equipment to ensure availability and compliance with fire regulations.
- Existing buildings and structures are compliant and in good condition with emergency signage in place to

indicate emergency exits and firefighting equipment.

- Continuous training of health and safety committee members in terms of the OHS Act.

14. SOCIAL RESPONSIBILITY

As part of its social responsibility, Umalusi marked the Nelson Mandela International Day by spending 67 minutes talking to primary school learners at four different schools in four provinces about the importance of reading for meaning in home languages.

To heed the call by the United Nations to mark the day by making a difference in communities, Umalusi put together this campaign to respond to the low literacy levels amongst primary school learners as revealed by the 2021 Progress in International Reading Literacy Study (PIRLS) results. The study revealed that 81% of our primary school pupils cannot read for meaning in their home languages by the time they turn ten years of age.

Acknowledging that one of the key factors that affect learners' literacy levels is limited exposure to age-appropriate reading materials particularly in home languages, Umalusi successfully negotiated with Macmillan

- Education South Africa, CopyCat Communications and Publishing, Agang ka Dithaka Language Practitioners, and Ithuta Books to contribute to the campaign by donating readers and books in different home languages. The over 5 700 reading materials received from these publishers were distributed to learners at the following four primary schools:

- Kopanelang Thuto Primary, Sasolburg in the Free State,
- Madika Primary School, Zebediela in Limpopo,
- Komane Primary, Maboloka (Brits) in the Northwest, and
- Nobuhle Primary, Kwaggafontein in Mpumalanga.

The 2024 Umalusi campaign benefitted over 3600 learners and 110 teachers associated with the four primary schools. Umalusi officials encouraged teachers and learners at these schools to spend a minimum of 67 minutes daily reading books and discussing their content in their reading corners and reading clubs.



15. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is pleased to present its report for the financial year ending 31 March 2025.

Audit and Risk Committee Responsibility

The 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 Committee adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein. The Council has approved the charter.

The Effectiveness of Internal Control

The Committee ensured that Nexia SAB&T Chartered Accountants Inc.'s internal audit function was independent and had the necessary resources, standing, and authority to discharge its duties. Furthermore, the Committee oversaw cooperation between internal and external auditors and linked the Council and these functions.

The internal auditor reported to the Committee. The internal audit function reviewed and provided assurance on the adequacy of the internal control environment across all Umalusi's operations. The head of the internal audit team had direct access to the Committee through its chairperson.

Our review of the Internal Audit work's findings, which were based on the risk assessments conducted in Umalusi, revealed certain weaknesses, which we then raised with the management.

The following internal audit work was completed during the year under review:

- Revenue management
- Payroll audit
- Qualification, Curriculum and Certification (QCC)
- IT General Controls Review
- Follow up review of internal and external audit findings
- Ad hoc review of interim financial statements quarter 2
- Ad hoc review of interim financial statements quarter 3
- Annual Financial Statements review
- Audit of predetermined objectives for quarters 1 to 3
- Audit of predetermined objectives cumulative
- Review of the 2024/25 annual performance report

The audit reviews did not identify any significant control weaknesses.

The internal control system applied by Umalusi for financial and risk management is effective, efficient, and transparent. In line with the PFMA and the applicable King Code on Corporate Governance requirements, the internal audit function assures the Audit and Risk Committee and management that the internal controls are appropriate and effective in most areas, but some

improvements are required. This is achieved through the risk management process, the identification of corrective actions, and suggested enhancements to the controls and procedures from the reports of the internal auditors, the audit report on the Annual Financial Statements, and the management report.

External and internal audits identified some weaknesses during the past financial year, which were reported to the Audit and Risk Committee. These items were added to the Audit Action Plan for continuous follow-up by executive management and internal audit as part of their regular fieldwork. The Committee also considered the risk register and ensured that this informed the Internal Audit Plan. Progress against the risk register was monitored quarterly.

Accordingly, the Committee can report that the system of internal controls over financial reporting for the period under review was efficient and effective in most instances.

The Committee is satisfied with Nexia SAB&T's performance in the internal audit function during the financial year.

In-Year Management and Monthly/Quarterly Report

Umalusi has reported quarterly to the National Treasury as required by the PFMA.

Evaluation of Annual Financial Statements

The Audit and Risk Committee has:

- Reviewed the Annual Financial Statements prepared by the management of Umalusi.
- Reviewed the external auditor's management report and management's response to it.
- Reviewed Umalusi's compliance with legal and regulatory provisions; and
- Reviewed changes in accounting policies and practices.

Auditor's Report

The Committee have reviewed the entity's implementation plan for audit issues raised in the prior year, and we are satisfied that the matters have been adequately resolved.

The Committee concurs and accepts the conclusion of PricewaterhouseCoopers (PWC) Incorporated, 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 from PwC.



Mr P Benade
Chairperson of the Audit and Risk Committee
Umalusi

31 July 2025

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	N/A
Developing and implementing a preferential procurement policy?	Yes	This forms part of Supply Chain Management (SCM) Policy. Procurement of goods and services is done in accordance with the policy.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	N/A	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	N/A





HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

1.1. Overview of HR matters at the public entity

The Human Capital Management (HCM) sub-programme serves as a strategic business partner, contributing significantly to the delivery of efficient and effective human capital administration across the organisation. Its primary objective is to enhance governance through the implementation of organisational policies that support the streamlined management of the full employee life cycle.

Key responsibilities include attracting and retaining top talent, supporting the organisation's retention strategies, and maintaining a vacancy rate of below 10% to ensure optimal staffing levels aligned with the organisation's mandate. The sub-programme also prioritises strong internal stakeholder relations by delivering responsive and high-quality support services.

Overall, the HCM unit applies a comprehensive set of practices and tools that span the employee journey, from recruitment through to retirement, aimed at maximising employee value and supporting the organisation's strategic goals.

1.2 HCM priorities for the year under review and the impact of these priorities

The sub-programme has the approved operational plan from which the key performance areas are outlined which include inter-alia the following activities which are laid out as its operational priorities:

(i) Maintenance of the vacancy rate of below 10%

The HCM sub-programme as the business partner and a support unit has human capital planning strategies in place to expedite the filling of vacancies to ensure business continuity and the achievement of the organisational mandate.

(ii) Strengthening of the HCM governance

To enhance governance within Human Capital Management, the sub-programme continuously reviews and implements HCM policies to promote fairness, equity, and transparency in the treatment of all employees. These reviews also ensure alignment with the prevailing legislative framework and contemporary HCM practices.

Policy review processes include presenting draft policies and Standard Operating Procedures (SOPs) to the Policy Advisory Forum (PAF) for deliberation and input. This collaborative approach supports policy refinement and promotes inclusive decision-making.

During the reporting period, several policies were reviewed and updated to ensure alignment with

the organisation's operational requirements and to reflect best practices in the field of human capital management.

(iii) Transformation awareness/ policy advocacy

The Human Capital Management (HCM) sub-programme actively promotes awareness and understanding of approved HCM policies through regular policy advocacy initiatives. These include stakeholder workshops and the distribution of policy summaries and extracts—shared as informative snippets throughout the financial year—to ensure employees remain well-informed on matters related to human capital policies.

In addition, the sub-programme organises educational sessions focused on psychosocial well-being, aimed at supporting the holistic wellness of employees.

During the reporting period, the HCM sub-unit facilitated policy advocacy sessions on the Performance Management and Development Policy, ensuring that all employees were adequately informed and equipped to implement the policy effectively.

(iv) Implementation of the employee induction program

During this period, two formal induction programmes for newly employed staff members were held to introduce new employees to the organization's mandate and the organization's policies, procedures, and conditions of service.

(v) Implementation of the employee wellness program

Two wellness day events were held during this period, covering various topics on health and wellness. The wellness days cater for both physical and mental health and include activities that engage employees holistically.

The Employee Assistance Programme (EAP) Service provider invited employees to attend various seminars on health and wellness topics. Monthly desk drops focusing on men's and women's health were also shared with all employees, encouraging employees to focus on their mental and physical well-being.

(vi) Implementation of the training and development

Implementing training and development aims to enhance employees' skills and knowledge and make them proficient in performance outputs. Training and development are crucial components for both employees and the organisation.

During the reporting period, employees attended various training interventions to enhance their skills, boost productivity, and foster a culture of continuous

improvement in their work. Attending training equips employees with the necessary knowledge and skills to perform their functions effectively. The organization also allows employees to further their studies by providing financial assistance to qualifying employees. Employees are encouraged to study towards various qualifications to enhance their productivity and skills and for career development.

(vii) Implementation of employment equity plan

Umalusi is the designated employer in terms of the Employment Equity Act no. 55 of 1998 as a result it has a 3-year Employment Equity (EE) Plan (2022 to 2025). The Chief Executive Officer has appointed the Employment Equity and Training Committee (EETC) on a two (2) years interval to monitor the implementation of the employment equity plan. The current term of the EETC will be coming to an end.

(viii) Implementation of the approved file plan

Several projects have been successfully completed, while others remain ongoing as part of the sub-programme's daily operations. These include the review of personnel files, the planned conversion of manual files into electronic format, routine self-file audits, the appointment of a new service provider for offsite storage, and initiating document clean-up operations to dispose of outdated records and improve office space conditions.

The sub-programme remains committed to maintaining a compliant, efficient, and safe records management environment.

(ix) Compliance with legislation

The HCM sub-programme will continue to align all its processes and practices with the applicable legislation governing HCM services.

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

During the financial year under review, the sub-programme maintained the vacancy rate to less than 10%. The vacancy rate was reduced from 17% to 5% in the reporting period.

Analysis of results revealed that there are certain programmes which are experiencing high workloads which resulted in high labour turnover. Several employees were promoted to management positions, for instance, the Senior Manager: QAA SQ, Manager: QAA TVET, Assistant Manager: Payroll, and the Payroll Practitioner positions.

1.4 Employee performance management framework

The Performance Management and Development

system is linked to a performance reward and aims to develop and improve the organisation's performance. The Performance Management and Development system is being automated and is currently in the testing phase. Performance Management is crucial for the organisation's success as it aligns individual efforts with the overall business goals. An effective performance management system helps in goal setting, monitoring performance, and evaluating results, ensuring employees work efficiently and contribute to the organisations objectives.

1.5 Policy development

The Human Capital Management (HCM) sub-programme regularly reviews and develops policies to ensure alignment with applicable legislation, evolving HCM practices, and organisational needs. These efforts promote consistency in policy application and ensure that all employees are treated fairly and equitably.

Several policies were reviewed and updated during the reporting period to support Umalusi's strategic objectives. These include the Performance Management and Development, Remuneration, and Leave policies. Additionally, the Training and Development Policy was replaced with a comprehensive Standard Operating Procedure (SOP) to provide more explicit guidance on implementation.

1.6 Highlight achievements

1.6.1 The review of the EE Plan is in progress. Five Employment Equity and Training Committee (EETC) meetings were conducted during this reporting year. During this period, the Employment Equity report was successfully and timely submitted to the Department of Labour and Employment, making the organisation fully compliant with the Employment Equity Act.

1.6.2 Ninety percent of the training interventions on the approved training plan for the 2024/2025 financial year were implemented successfully. Attending training interventions improves productivity, employee satisfaction, and organisational performance. It also helps employees to develop new skills and become more proficient in their respective working environments.

1.6.3 Two successful wellness days were conducted, during which all staff participated in the activities arranged. The Government Employees Medical Scheme (GEMS) conducted Health Risk Assessments and neck and shoulder massages for employees. The wellness day activities boosted staff morale and encouraged teamwork.

1.6.4 During the reporting period, the Human Capital Management (HCM) sub-programme successfully reviewed and updated several key policies to

ensure alignment with organisational objectives and evolving best practices. These include the Performance Management and Development Policy, Remuneration Policy and the Leave Policy. Additionally, the Training and Development Policy was replaced with a Standard Operating Procedure (SOP) to provide clearer, process-driven guidance for implementation and compliance. These updates contribute to improved policy governance, operational efficiency, and enhanced employee experience.

1.7 Challenges faced by the public entity

- 1.7.1 **High workload:** Different units have requested additional positions to address challenges, and the request is pending approval.
- 1.7.2 **The aging workforce:** Umalusi continues to face the challenge of an aging workforce, with several employees nearing retirement age. This poses a potential risk to institutional memory and operational continuity. In response, the organisation has a succession plan in place to proactively manage this risk. The plan facilitates the identification and development of internal

talent to ensure continuity in critical roles. It also enables structured knowledge transfer, allowing employees approaching retirement to mentor and prepare their successors, thereby ensuring a smooth handover of responsibilities.

1.8 Future HR plans/goals

Looking ahead, the Human Capital Management sub-programme has identified the following key initiatives to enhance operational efficiency and service delivery:

- 1.8.1 To keep the vacancy rate as low as possible.
- 1.8.2 The automation of the online performance Management system is in progress.
- 1.8.3 The introduction of an electronic file plan aims to modernise document management across the organisation, ensuring improved accessibility, security, and compliance with records management standards.
- 1.8.4 Establishment of a Centralised Service Request System for the Records Sub-Unit as the system will streamline the handling of service requests, enhance tracking and accountability, and improve turnaround times for records-related queries.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel related expenditure

Personnel Cost by programme/ activity/objective

Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1	105,563	48,970	46%	63	777
Programme 2	105,563	23,618	22%	31	762
Programme 3	105,563	35,525	32%	50	711

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	8,491	8%	4	2,123
Senior Management	13,711	13%	10	1,371

Personnel cost by salary band *contd.*

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Professional qualified	54,102	51%	75	725
Skilled	9,184	9%	20	464
Semi-skilled	17,902	17%	60	302
Unskilled	2,173	2%	6	396
TOTAL	83,361	79%	161	1,887

Performance Rewards

Programme/activity/objective	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	370	8,491	4.4%
Senior Management	449	13,711	3.3%
Professional qualified	903	54,102	1.7%
Skilled	182	9,184	2%
Semi-skilled	346	17,902	2%
Unskilled	32	2,173	1.5%
TOTAL	2,282	105,563	14.9%

Training Costs

Programme	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg training cost per employee (R)
Programme 1	48,970	462	0.9%	63	7
Programme 2	23,618	166	0.7%	31	5
Programme 3	35,525	309	0.9%	50	6

Employment and vacancies

Programme/ activity/objective	2024/25 No. of Employees	2024/25 Approved Posts	2024/25 Vacancies	% of vacancies
Top Management	4	4	0	0%
Senior Management	10	10	0	0%
Professional qualified	65	68	3	2%
Skilled	18	18	1	1%
Semi-skilled	41	45	3	2%
Unskilled	6	6	0	0%
TOTAL	144	151	7	5%

Senior Management positions were filled within the turnaround time of three months, and in some cases, internal candidates were appointed to fill the positions, while external candidates were also considered.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	0	4
Senior Management	10	2	1	10
Professional qualified	65	11	5	65
Skilled	18	0	1	18
Semi-skilled	41	0	3	41
Unskilled	6	0	0	6
Total	144	13	10	144

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	9	75%
Dismissal	0	0%
Retirement	2	17%
Ill health	1	8%
Expiry of contract	0	0%
Other	0	0%
Total	12	100%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	41
Written Warning	5
Final Written warning	0
Dismissal	0
Total	46

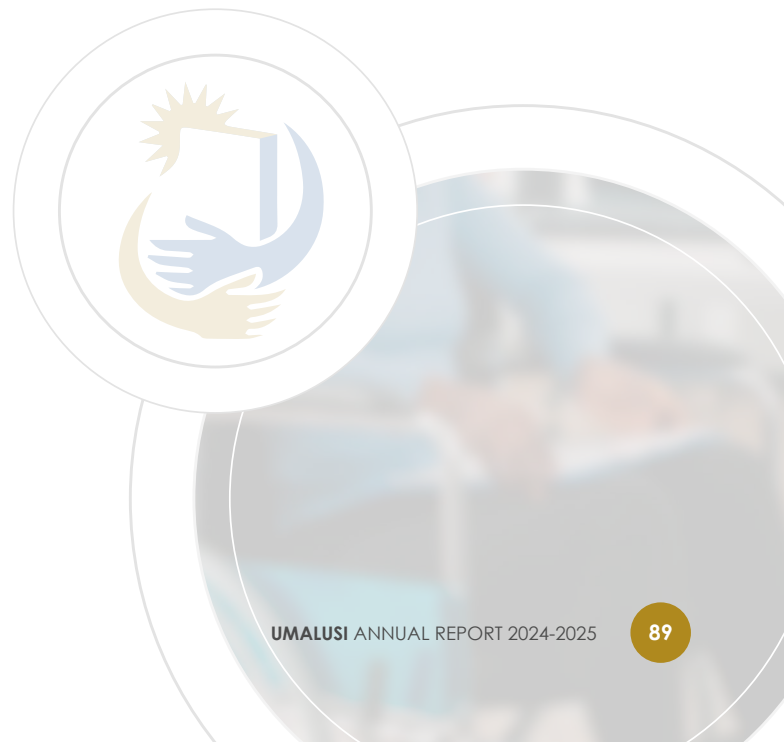
Equity Target and Employment Equity Status

The target was not achieved, we struggled to find candidates with disabilities, even though the adverts were shared on the database of people with disabilities as advised by the employee from Department of women and people with disabilities (Ms Mabelebele), it still did not help in attracting people with disabilities, our other employment equity target was coloured, Indian and white people the adverts were shared with schools and churches with those people but unfortunately it did not yield any results.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	0	0	0	1	1
Senior Management	5	5	0	0	0	0	0	0
Professional qualified	32	28	0	0	1	1	3	4
Skilled	6	3	0	0	0	0	0	0
Semi-skilled	12	19	0	0	0	0	0	0
Unskilled	4	3	0	0	0	0	0	0
TOTAL	61	60	0	0	1	1	4	5

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	0	0
Senior Management	4	3	0	0	0	0	1	1
Professional qualified	23	20	0	0	1	1	5	4
Skilled	10	5	0	0	2	1	0	1
Semi-skilled	26	26	1	1	1	2	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	65	56	2	2	4	4	7	7

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	1	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	0	1





PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

	2024/25	2023/24
Description	R'000	R'000
Opening balance	519	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	0	519
Less: Irregular expenditure condoned	(519)	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable ¹	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	0	519

The Executive Committee of Council condoned the irregular expenditure of R519 021 on 29 January 2025.

Reconciling notes

	2024/25	2023/24
Description	R'000	R'000
Irregular expenditure that was under assessment	26 400	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	0	0
Total	26 400	0

b) Details of irregular expenditure (under assessment, determination, and investigation)

	2024/25	2023/24
Description ²	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	0	0

Umalusi has incurred a deficit of R26,4 million in the current financial year. The overspending is still being assessed to determine if it meets the definition of irregular expenditure

¹ Transfer to receivables

² Group similar items

c) Details of irregular expenditure condoned

	2024/25	2023/24
Description	R'000	R'000
Irregular expenditure condoned	519	0
Total	519	0

The Executive Committee of Council condoned the irregular expenditure of R519 021 on 29 January 2025.

d) Details of irregular expenditure removed - (not condoned)

	2024/25	2023/24
Description	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of irregular expenditure recoverable

	2024/25	2023/24
Description	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

f) Details of current and previous year irregular expenditure written off (irrecoverable)

	2024/25	2023/24
Description	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements.

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is *not* responsible for the non-compliance)

Description
None – Umalusi is not involved in any inter-institutional arrangement
Total

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

	2024/25	2023/24
Description	R'000	R'000
None	0	0
Total	0	0

Umalusi is not involved in any inter-institutional arrangement.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
No disciplinary or criminal steps taken as a result of irregular expenditure during the year under review.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

	2024/25	2023/24
Description	R'000	R'000
Opening balance	7,764	6,690
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	7	1,075
Less: Fruitless and wasteful expenditure recoverable	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	(7,764)	0
Closing balance	7	7 764

The Executive Committee of Council condoned the fruitless and wasteful expenditure of R7 764 000 on 29 January 2025. The fruitless and wasteful expenditure of R6,523 was incurred in the current year.

Reconciling notes

	2024/25	2023/24
Description ⁵	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	7	0
Total	7	0

The fruitless and wasteful expenditure of R6,523 was incurred in the current year.

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

⁴ Transfer to receivables

⁵ Group similar items

c) Details of fruitless and wasteful expenditure recoverable

	2024/25	2023/24
Description	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	0	0

d) Details of fruitless and wasteful expenditure not recoverable and written off

	2024/25	2023/24
Description	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
No disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure during the year under review.

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2) (b)(i) &(iii))⁶

a) Details of material losses through criminal conduct

	2024/25	2023/24
Material losses through criminal conduct	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

No material losses incurred through criminal conduct during the year under review.

⁶ Information related to material losses must also be disclosed in the Annual Financial Statements.

b) Details of other material losses

	2024/25	2023/24
Nature of other material losses	R'000	R'000
None	0	0
Total	0	0

No criminal or disciplinary steps taken by the institution during the year under review.

c) Other material losses recoverable

	2024/25	2023/24
Nature of losses	R'000	R'000
None	0	0
Total	0	0

d) Other material losses not recoverable and written off

	2024/25	2023/24
Nature of losses	R'000	R'000
None	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

	Number of invoices	Consolidated Value
Description		R'000
Valid invoices received	839	47,686
Invoices paid within 30 days or agreed period	833	47,042
Invoices paid after 30 days or agreed period	6	644
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	0	-
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	0	-

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Appointment of service provider to develop the Event App for AEAA conference 2024.	Smart Events	Issued a request to suppliers listed on CSD however less than 3 quotations were received	RFQ 12/24	104
Catering Services Assessment Standards Committee Meeting for the 8 May 2024	Modifho Fela Caterers	Issued a request to suppliers listed on CSD however less than 3 quotations were received	RFQ 23/24	13
Appointment of Mafikizolo to perform at AEAA conference	On point records	Issued a request to suppliers listed on CSD however less than 3 quotations were received	RFQ 92/24	150
Appointment of External Auditors for a period of twelve months	RSM SA Incorporated	Issued a request to suppliers listed on CSD however less than 3 quotations were received	RFQ 261/24	963
Request for Typesetter for April QAA Report	Serame Trading & projects	Issued a request to suppliers listed on CSD however less than 3 quotations were received	RFQ 40/24	31
License renewal alignment for AD Manager Plus	Zoho corporation/ ITR Technology	Issued a request to suppliers listed on CSD however less than 3 quotations were received	N/A	21
Fraud Reporting Service	Whistle Blowers	Issued a request to suppliers listed on CSD however less than 3 quotations were received	RFQ 268/24	127
SAS Software license renewal	SAS INSTITUTE	Issued a request to suppliers listed on CSD however less than 3 quotations were received	RFQ 33/24	334
Umalusi Certification background paper	WPW	Issued a request to suppliers listed on CSD however less than 3 quotations were received	GPW001	11 247
Supply and delivery of purified of drinking water and coolers for 3 years	Bashwater	Issued a request to suppliers listed on CSD however fewer than three quotations were received	RFQ 260/24	207
Insurance	SANKOFA	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 100/24	23
Transport Hire for the AEAA 2024 Conference	South African Destination Management Company	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 110/24	21

3.1 Procurement by other means *contd.*

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Excursion - AEAA	South African Destination Management Company	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 115/24	487
Editing of Makoya	Lingu Franca	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 163/24	3
Request to renew the annual subscription fee for 1 Azure AD Tenant	ITR Technology	Sole Supplier	N/A	154
Request for the Annual Renewal and Upgrade of the Inveloper e-Application Development Platform License	Teknatic LLC	Sole Supplier	N/A	999
Request to Renew the OrgPlus Software Support and Maintenance for 24 months	LRMG (Pty) Ltd	Sole Supplier	N/A	7
Service provider to service, repair and maintenance of the lift at Thuto Mfundo building, contract for a period of 36 Months	Otis (Pty) Ltd	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 80/24	78
Combined EDRMS and Advanced EDRMS course	African Training Institute	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 153/24	13
Photography for the AEAA Conference	Bongeka Ngcobo	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 137/24	41
Request for Renewal of PADS4 Expert Viewer License subscription for 24 Months	CyberFlare	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 147/24	133
Zulu Performance	The Drum Café	Impractical to follow SCM process	N/A	23
Musical DJ	Man & Son Transport	Impractical to follow SCM process	N/A	54

3.1 Procurement by other means *contd.*

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Performance Entertainment	UP Next Studio	Impractical to follow SCM process	N/A	20
MC AEAA	Otherwise Culture	Impractical to follow SCM process	N/A	40
MAFIKIZOLO - AEAA	On point records	Impractical to follow SCM process	N/A	150
RENTAL OF VIP TOILETS	Oramo Trading (Pty) Ltd	Impractical to follow SCM process	N/A	20
SAGE INTACCT SOLUTION	Tetrad Group	Issued a request to suppliers listed on CSD however less than 3 quotations were received.	RFQ 189/24	994
Catering service	Khayelimnandi Catering & Events	Issued a request to suppliers listed on CSD however less than 3 quotations were received.	RFQ 232/24	21
Catering services	Nukhana Trading	Issued a request to suppliers listed on CSD however less than 3 quotations were received.	RFQ 226/24	25
Catering service	Modifh-Fela Caterers	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 169/24	156
Renewal of Licence	GP van Niekerk Ondernemings CC (GPvNO)	Sole Supplier	N/A	9
Request to Renew CaseWare license for 12 months	Adapt IT(Pty) Ltd	Sole Supplier	N/A	126
Executive Development Programme (EDP) Training	The National School of Government	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	RFQ 122/24	44
Car Tracking Services for a Period of 36 Months	Netstar (Pty) Ltd	Issued a request to suppliers listed on CSD, however less than 3 quotations were received.	N/A	9
Emergency restoration of Audio-Visual system	KgT Enterprises	Emergency	N/A	11
Skills transfer	Leading Software Partners (LSP Inc)	The system was installed by LSP hence the end user requested that the training must be done by LSP.	N/A	Rate based

3.1 Procurement by other means *contd.*

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Moshikaro	Repairs to the leaking underground water pipe supplying the fire hydrant and hose reel and installation of the emergency water storage tanks in the Thuto-Mfundo Building	Emergency	N/A	526
Caseware Refresher Training	Adapt IT	Sole Supplier	N/A	18
Supply and delivery of Stationery	Vuma Office Supplies	The recommended supplier did not deliver the required items on time	N/A	150
SAS institute (Pty)	Annual renewal of the SAS Analytics Pro soft	Sole Supplier	N/A	352
Total				17 909

3.2 Contract variations and expansions

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
Insurance Brokerage	SANKOFA	The Procurement process is underway for new contract. The contract extension is for 3 months	N/A	92		5
Personal Protective Equipment	Assent Group	Incorrect sizes	N/A	54		3

3.2 Contract variations and expansions *contd.*

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
Provision of printing and photocopy services and support	Altron Document Solutions	The Procurement process is underway for new contract. The contract extension is for 3 months	RT3-2018	1 077		88
Design, layout, and printing of the 40 th AEAA Conference Book of Abstract	Nyalu Communication	Additional pages were requested	N/A	88		19
Request for a Supplier for the AEAA 2024 Local Organising Committee Conference Attire jackets	Skhom Holdings	Additional amount because a size up jacket was required.	N/A	38		1
Provision of transport for AEAA Conference Excursions	South African Destination Management (MK Tours)	Reduction in delegation for excursion	N/A	486		123
Additional upgrades to the existing security system in both building	Ensol Technologies	Additional upgrades to the existing security system in both building	N/A	Rate based		44
Venue hire for 40 th AEAA Conferencing	Century City Conference centre and Hotels, Cape town	Expansion of scope	N/A	3 405		854

3.2 Contract variations and expansions *contd.*

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
Repairs to the leaking underground water pipe supplying the fire hydrant and hose reel and installation of the emergency water storage tanks in Thuto-Mfundo Building	Moshikaro Trading	Emergency plumbing	N/A	526		123
Editing of strategic plan, APP and Q2 report	KM Waddington	Increase number of pages	N/A	31		None
System Support	Teknatic	MIS system down	N/A	999		40
System support	Teknatic	MIS system down	N/A	999		5
Internet and Network Services	Vox	Additional public IP addresses	N/A	258		21
Design and Layout DBE Report	Pure Brown	Increase in the number of pages	N/A	130		12
Furniture removal and two months storage	Stuttafords Van Lines-Durban	Additional day for storage	N/A	22		4
Accommodation	138 Murray Guest House	the increased load of laundry	N/A	183		14
Printing of Makoya	Pure Brown	Additional pages	N/A	29		2
Security Services	JN Best Security Services	Tender process still in progress	N/A	6 127		753
Total						2,110



FINANCE REPORT

INDEPENDENT AUDITOR'S REPORT

to Council and Parliament on Umalusi - Council for Quality Assurance in General and Further Education and Training

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Umalusi - Council for Quality Assurance in General and Further Education and Training (Umalusi) set out on pages 111-147, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and the 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Umalusi as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the entity in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors of the (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Council for the financial statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance

with South African Standards of GRAP and the requirements of the PFMA and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the Council either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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.

A further description of our responsibilities for the audit of the financial statements is included in the annexure to this Auditor's Report. This description, which is located at page 106, forms part of our Auditor's Report.

Report on the audit of the annual performance report

Introduction and scope

In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The Council is responsible for the preparation of the annual performance report.

We selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. We selected a programme that measures the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

INDEPENDENT AUDITOR'S REPORT *contd.*

Programme	Page numbers	Purpose
Programme 3: Quality Assurance and Monitoring	44-54	The purpose of this programme is to ensure that the providers of education and training have the capacity to deliver and assess qualifications registered on the GFETQSF and are doing so to the expected standards and quality.

We evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting 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 entity's planning and delivery on its mandate and objectives.

We performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
- all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included.
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements.
- the targets can be 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 and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over or underachievement of targets.

We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

We did not identify any material findings on the reported performance information for the selected programme Quality Assurance and Monitoring.

Other matters

We draw attention to the matter below.

Achievement of planned targets

The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

Report on compliance with legislation

In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Council is responsible for the entity's compliance with legislation.

We performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

Through an established AGSA process, we selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this Auditor's Report.

We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

The Council is responsible for the other information. The other information comprises the information included in the Umalusi Annual Report 2024/25. The other information does not include the financial statements, the Auditor's Report and the selected programme presented in the annual performance report that have been specifically reported on in this Auditor's Report.

Our opinion on the financial statements and our findings on the reported performance information and the report on compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether

INDEPENDENT AUDITOR'S REPORT *contd.*

the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Internal control deficiencies

We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: AJC Dale

Registered Auditor

Mafikeng, South Africa

31 July 2025

The examination of controls over the maintenance and integrity of the Umalusi's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements or annual report since they were initially presented on the website.

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor's responsibilities for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected programme and on the entity's compliance with selected requirements in key legislation.

Financial statements

In addition to our responsibility for the audit of the financial statements as described in this Auditor's Report, we also:

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

Communication with those charged with governance

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Council with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements.

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(iii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56(1); 56(2); Section 57(b); Section 66(3)(c); 66(5)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulations 8.2.1; 8.2.2 Regulations 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2 (1) and (2); 16A 8.3; 16A8.3(d); 16A 8.4; 16A9; 16A9.1 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 16A9.2(a)(ii) Regulations 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulations 31.1.2(c'); 31.2.5; 31.2.7(a) Regulations 32.1.1(a); 32.1.1(b); 32.1.1(c') Regulations 33.1.1; 33.1.3 Regulations 29.2.1; 29.2.2
Public Service Regulations (PSR)	PSR 18; 18(1) and (2);
CIDB Act	Section 18(1)
PPPFA	CIDB regulations 17 & 25(7A)
PPR 2017	Paragraphs 4.1; 4.2 Paragraphs 5.1; 5.3; 5.6; 5.7 Paragraphs 6.1; 6.2; 6.3; 6.5; 6.6 Paragraphs 7.1; 7.2; 7.3; 7.5; 7.6 Paragraphs 8.2; 8.5 Paragraphs 9.1; 9.2 Paragraph 11.2 Paragraphs 12.1 and 12.2
PPR 2022	Paragraphs 4.1; 4.2; 4.3; 4.4 Paragraphs 5.1; 5.2; 5.3; 5.4
National Treasury Instruction Note 1 of 2015-16	Paragraphs 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021-22	Paragraphs 4.3; 4.4 (a); 4.4(c); 4.4(d);
NT SCM Instruction Note 11 2020-21	Paragraph 3.1; Paragraph 3.4(b) Paragraph 3.9
NT SCM Instruction Note 2 of 2021-22	Paragraphs 3.2.1; 3.2.4(a); 3.3.1; Paragraphs 3.2.1; 3.2.4(a); 3.3.1;
NT Instruction Note 4 of 2015-16	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
NT Instruction Note 1 of 2021-22	Paragraph 4.1
Practice Note 7 of 2009-10	Paragraph 4.1.2

COUNCIL'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 state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors 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 and National Treasury.

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

The Council acknowledges that they are ultimately responsible for the system of internal financial control 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 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 Umalusi and all employees are required to maintain the highest ethical standards in ensuring Umalusi's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across Umalusi. While operating risk cannot be fully eliminated, Umalusi 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.

The Council has reviewed Umalusi's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that Umalusi has access to adequate resources to continue in operational existence for the foreseeable future. Umalusi is dependent on the transfers from the Department of Basic Education to fund its operations. The Annual Financial Statements are prepared on the basis that Umalusi is a going concern and that it has neither the intention nor the need to liquidate or curtail materially the scale of the business.

Although the Council is primarily responsible for the financial affairs of Umalusi, they are supported by Umalusi's external auditors.

The external auditors are responsible for independently reviewing and reporting on Umalusi's Annual Financial Statements. The Annual Financial Statements have been examined by Umalusi's external auditors.

The Annual Financial Statements have been prepared on the going concern basis and were approved by the Council on 31 July 2025.



Dr MS Rakometsi
(CEO Umalusi)



Prof Y Ballim
(Chairperson Umalusi)

REPORT OF THE COUNCIL

The Council submits its report for the year ended 31 March 2025.

1. Incorporation

Umalusi is the Quality Council in terms of the National Qualifications Framework Act (Act 67 of 2008) and listed as a national public entity in terms of Schedule 3A of the Public Finance Management Act of 1999. Umalusi was established in accordance with the General and Further Education and Training Quality Assurance Act (GENFETQA) of 2001.

2. Review of activities

Main business and operations

Umalusi is responsible for the management of the General and Further Education and Training Qualification Sub-framework of the National Qualifications Framework (NQF). The Council acts as an external and independent assurance body, mandated to set and maintain standards in general and further education and training through the development of the General and Further Education and Training Qualification Sub-framework of the NQF.

3. 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. Umalusi is funded through transfers from the Department of Basic Education and own revenue. The Department of Basic Education had committed to funding Umalusi for the period 2025/26 to 2028/29 financial years.

4. Subsequent events

The Council is not aware of any matter or circumstance which has arisen between the end of the financial year and the date of approval of the financial statements that would require an adjustment of the financial statements. However, the Council would like to highlight that effective from 1 April 2025, the pension fund for Umalusi employees will be administered by the Government Employee Pension Fund (GEPF) and not the Associated Institutions Pension Fund (AIPF).

5. Accounting policies

The Annual Financial Statements have been prepared in compliance 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 of 1999 (PFMA), including any interpretations, guidelines and directives issued by the National Treasury.

6. Losses through fraud, fruitless, wasteful and irregular expenditure

The Council has considered the provisions of the PFMA relating to fruitless and wasteful expenditure. In terms of the materiality framework as agreed with the Executive Authority as per section 55(1)(d) of the PFMA, any material losses due to criminal conduct or irregular or fruitless and wasteful expenditure must be reported in the financial statements.

In the current year, Umalusi did not identify any fraudulent activities. Umalusi has disclosed fruitless, wasteful and irregular expenditure in the notes to the financial statements. The Council is committed to continuously reviewing and strengthening the internal control environment in order to prevent the fruitless, wasteful and irregular expenditure within the organisation. The details are provided in Part E of the annual report.

7. Internal controls

In accordance with the PFMA, the Council is accountable for internal controls. The Council has the responsibility of maintaining a sound system of internal controls that support the achievement of Umalusi's objectives. The Council reviews the effectiveness of the internal control on an ongoing basis through the internal audit function.

8. Council members

The members of the council during the year and to the date of this report are as follows:

Name

- Prof Y Ballim (Chairperson)
- Prof TP Msibi (Deputy Chairperson)
- Dr MS Rakometsi (CEO Umalusi)
- Dr W Green (Council on Higher Education - CEO)
- Mr DB Hindle
- Mr NT Johnstone
- Dr C Myburgh
- Ms F Solomon
- Adv MJ Merabe
- Prof ME Metcalfe
- Mr V Naidoo (Quality Council for Trades and Occupations - CEO)
- Ms N Starr (South African Qualifications Authority - CEO)
- Dr KM Dos Reis
- Dr L Mokotjo
- Prof L Jita
- Ms L Moyane
- Dr RE Moraka
- Dr MJB Mthembu
- Ms T Futshane

REPORT OF THE COUNCIL *contd.*

9. Secretary

The secretary of the council is Mr NH Moloise

Business address: 37 General Van Ryneveld Street
Persequor Technopark
Pretoria

Postal address: PO Box 151
Persequor Technopark
Pretoria
0020

10. Executive Authority

Umalusi reports to the Minister responsible for the Department of Basic Education.

11. Auditors

PricewaterhouseCoopers (PwC) Inc has been appointed to conduct the external audit in accordance with section 25(2) of the Public Audit Act. Umalusi has obtained approval from the Auditor-General South Africa to appoint PwC Inc for 2024/25 financial year.



Dr MS Rakometsi
(CEO Umalusi)



Prof Y Ballim
(Chairperson Umalusi)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

Figures in Rand	Note(s)	31 March 2025 R'000	31 March 2024 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	3	2,719,304	1,832,327
Statutory receivables from exchange transactions	4	5,551,315	5,027,514
Other receivables	6	222,100	132,376
Prepayments	7	5,592,629	5,600,569
Cash and cash equivalents	8	19,022,550	32,276,300
		33,107,898	44,869,086
Non-Current Assets			
Property, plant and equipment	9	77,577,595	85,438,492
Total Assets		110,685,493	130,307,578
Liabilities			
Current Liabilities			
Operating lease liability	10	49,575	84,767
Payables from exchange transactions	11 & 33	13,997,734	9,442,019
Short-term employee benefits	12 & 33	9,148,501	8,149,839
Deferred income	13	13,013,358	10,624,792
		36,209,168	28,301,417
Non-Current Liabilities			
Employee benefit obligation	14	4,377,423	5,518,763
Total Liabilities		40,586,591	33,820,180
Net Assets		70,098,902	96,487,398
Reserves			
Revaluation reserve	15	23,393,588	23,393,588
Accumulated surplus	33	46,705,314	73,093,810
Total Net Assets		70,098,902	96,487,398

STATEMENT OF FINANCIAL PERFORMANCE

AS AT 31 MARCH 2025

Figures in Rand	Note(s)	31 March 2025 R'000	31 March 2024 Restated*
Revenue			
Revenue from exchange transactions			
Accreditation fees	16	7,055,185	7,263,915
Certification fees	16	8,574,556	7,827,491
Verification fees	16	21,366,899	18,448,401
Rental income	16	1,452,095	1,298,137
Other income	16	6,135,147	3,531,663
Interest received - short term deposit	16	3,445,793	4,671,619
Total revenue from exchange transactions		48,029,675	43,041,226
Revenue from non-exchange transactions			
Government grants and subsidies	17	166,918,000	162,945,000
Donations - AEAA Conference	17	1,679,658	-
Total revenue from non-exchange transactions		168,597,658	162,945,000
Total revenue		216,627,333	205,986,226
Expenditure			
Employee related costs	18	(105,562,814)	(93,307,332)
Depreciation and amortisation	9	(10,568,835)	(10,047,578)
Provision for doubtful debts	19	(621,469)	(537,010)
Moderation and verification costs	20	(44,609,821)	(40,443,667)
Remeasurement - employee benefit obligation	14	(210,340)	(1,491,237)
Net interest on defined benefit liability	14	(893,660)	(643,763)
Service cost	14	(1,895,000)	(597,000)
General expenses	21	(78,653,889)	(59,756,811)
Total expenditure		(243,015,828)	(206,824,398)
Deficit for the Year		(26,388,495)	(838,172)

STATEMENT OF CHANGES IN NET ASSETS

AS AT 31 MARCH 2025

Figures in Rand	Revaluation reserve	Accumulated surplus / (deficit)	Total net assets
Balance at 01 April 2023	9,842,290	76,209,422	86,051,712
Changes in net assets			
Revaluation of Land	1,020,000	-	1,020,000
Revaluation of Buildings	12,531,298	-	12,531,298
Prior year adjustment - Provision for performance bonus	-	(2,623,677)	(2,623,677)
Prior year adjustment - Interest on investment (Medical aid)	-	346,237	346,237
Net income (losses) recognised directly in net assets	13,551,298	(2,277,440)	11,273,858
Deficit for the year	-	(838,172)	(838,172)
Restated* Balance at 01 April 2024	23,393,588	73,093,809	96,487,397
Deficit for the year	-	(26,388,495)	(26,388,495)
Balance at 31 March 2025	23,393,588	46,705,314	70,098,902

CASH FLOW STATEMENT

AS AT 31 MARCH 2025

Figures in Rand	Note(s)	31 March 2025 R'000	31 March 2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		42,855,520	36,087,863
Grants	17	166,918,000	162,945,000
Interest income	16	3,445,793	4,671,619
	22	213,219,313	203,704,482
Payments			
Employee costs		(121,252,259)	(106,583,638)
Suppliers		(102,464,831)	(99,781,765)
	22	(223,717,090)	(206,365,403)
Net cash flows from operating activities	24	(10,497,777)	(2,660,921)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(2,755,973)	(9,174,054)
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		(13,253,750)	(11,834,975)
Cash and cash equivalents at the beginning of the year		32,276,300	44,111,275
Cash and cash equivalents at the end of the year	8	19,022,550	32,276,300

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

AS AT 31 MARCH 2025

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts	Difference	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Accreditation fees	7,100,000	-	7,100,000	7,055,185	(44,815)	
Certification fees	7,700,000	-	7,700,000	8,574,556	874,556	1
Verification fees	18,200,000	-	18,200,000	21,366,899	3,166,899	2
Rental income	1,350,000	-	1,350,000	1,452,095	102,095	
Other income	2,860,000	-	2,860,000	6,135,147	3,275,147	3
Interest received - short term deposit	4,100,000	-	4,100,000	3,445,793	(654,207)	4
Total revenue from exchange transactions	41,310,000	-	41,310,000	48,029,675	6,719,675	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants and subsidies	166,918,000	-	166,918,000	166,918,000	-	
Total revenue	208,228,000	-	208,228,000	214,947,675	6,719,675	
Expenditure						
Personnel	(105,675,000)	-	(105,675,000)	(105,562,814)	112,186	5
Depreciation and amortisation	(3,000,000)	-	(3,000,000)	(10,568,835)	(7,568,835)	6
Moderation and verification costs	(44,996,765)	-	(44,996,765)	(44,609,821)	386,944	7
General expenses	(54,556,235)	-	(54,556,235)	(78,653,889)	(24,097,654)	8
Total expenditure	(208,228,000)	-	(208,228,000)	(239,395,359)	(31,167,359)	
Operating deficit	-	-	-	(24,447,684)	(24,447,684)	
Donations - AEAA Conference	-	-	-	1,679,658	1,679,658	9
Remeasurement-employee benefit obligation	-	-	-	(210,340)	(210,340)	10
Provision for doubtful debts	-	-	-	(621,469)	(621,469)	11
Net interest on defined benefit liability	-	-	-	(893,660)	(893,660)	10
Service cost	-	-	-	(1,895,000)	(1,895,000)	10
	-	-	-	(1,940,811)	(1,940,811)	
Surplus/(Deficit)	-	-	-	(26,388,495)	(26,388,495)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(26,388,495)	(26,388,495)	

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS *contd.*

1. The certification fees were 11% (R874,556/R7,700,000) below budget due to lower demand for the certificates.
2. The verification fees were 17% (R3,166,899/R18,200,000) above budget due to increase in demand for verification of qualifications by external parties.
3. The other income was 115% (R3,275,147/R2,860,000) above budget due to AEAA conference fees received.
4. The interest income was 16% (R654,207/R4,100,000) below budget due to the decrease in the cash balance for short-term investment.
5. Employee cost was 1% (R112,186/R105,675,000) above budget due to the salary adjustment from 1 April 2024.
6. The variance is due to under budgeting of depreciation.
7. Expenditure for moderation and verification was 1% (R386,944/R44,996,765) below the budget. Umalusi has implemented several cost-cutting measures, which includes, among others, online meetings, workshops and training.
8. The increase in general expenses 44% (R23,001,539/R52,556,235) is due to increase in ICT expenditure travelling costs and the AEAA conference cost
9. Donations received from AEAA conference. Donations were not budgeted for.
10. The amount per the actuarial valuation report for the employee benefit obligation.
11. The provision for doubtful debt was not budgeted for.

Over-expenditure

Umalusi incurred a deficit of R26,4 million in the current financial year. The actual expenditure exceeded the budgeted expenditure by R31 million. The expenditure for the current year was increased by the roll over of R15,2 million approved by National Treasury in September 2024. Included in the actual expenditure is the amount of R10,6 million for depreciation which exceeded the budget by R7,6 million. The overspending is under investigation to determine if any irregular expenditure is being incurred.

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting policies

The significant accounting policies applied in the preparation of these audited Annual Financial Statements are set out below.

1.1 Basis of preparation and presentation of Annual Financial Statements

The audited 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). The audited Annual Financial Statements have been prepared using accrual accounting in compliance with GRAP Standards and, unless specified otherwise, using the historical cost convention as the basis of measurement.

1.2 Presentation currency and rounding off

These audited Annual Financial Statements are presented in South African Rand, which is the functional currency of Umalusi. Unless otherwise stated, amounts have been rounded off to the nearest Rand. In instances where as a result of rounding off, some amounts have R100 or less variances in the financial statements and the notes to the financial statements, no adjustment will be made.

1.3 Going concern assumption

These audited Annual Financial Statements have been prepared based on the expectation that Umalusi will continue to operate as a going concern for at least the next 12 months.

1.4 Taxation

Umalusi is exempted from income tax in terms of section 10(1)(cA)(i) of the Income Tax Act 58 of 1962.

1.5 Comparative figures

Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

Current year comparison with budget

A comparison between the approved final budget and actual amounts is included in the statement of comparison of budget and actual amounts.

1.6 Significant judgements and sources of estimation uncertainty

In preparing the audited Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in

the audited Annual Financial Statements and related disclosures. The use of available information and the application of judgement are inherent in the formation of estimates. Actual future results could differ from these estimates, which may be material to the audited Annual Financial Statements. Significant judgements and estimates include:

1.6.1 Estimates

- a) Determination of the useful lives of assets and depreciation

Management determines the estimated useful lives and depreciation method for property, plant, and equipment (PPE) based on historical trends and patterns of the usage of the asset. Management may increase or decrease the depreciation amount of the assets where useful lives are less or more than previously estimated.

- b) Reassessment of the useful lives of assets

The useful lives are reassessed for PPE to determine whether they are still relevant. The useful lives, residual values and depreciation amount can be adjusted upwards or downwards depending on the conditions of the assets.

- c) Revaluation of land and buildings

Land and buildings are revalued independently every four years by independent valuers using the income capitalisation method. This method involves assessing the property's net normalised annual income, assuming it is fully leased at market-related rentals and escalations.

- d) Trade and other receivables - impairment, provision and write-off

Umalusi assesses its trade and other receivables for impairment at the end of each reporting period. Provision for bad debts is made where the outstanding amount remains unpaid for 120 days. The debtors are written off where there is possibility of non recovery in line with the Financial Management Policy.

- e) Statutory receivables - impairment, provision and write-off

Umalusi assesses its statutory receivables for impairment at the end of each reporting period. Provision for bad debts is made where the outstanding amount remains unpaid for 120 days. The debtors are written off when there is possibility of non recovery in line with the Financial Management Policy.

- f) Actuarial valuation of employee defined obligation or post - retirement medical aid fund (plan asset)

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate,

SIGNIFICANT ACCOUNTING POLICIES *contd.*

healthcare cost inflation, expected retirement age and withdrawal rate. Any changes in these assumptions will impact the carrying amount of post-retirement obligations.

1.6.2 Judgments

a) Receivables from exchange transactions

The receivables resulting from the statutory obligation in terms of GENFETQA Act of 2001 are classified as statutory receivables as required by GRAP 104. All other receivables fall under GRAP 108.

b) Prepayments

Licence fees are expensed in the statement for financial performance when the amount payable is for period of one year or less, and the period falls exactly within the financial reporting period of Umalusi.

c) Financial instrument

The financial instruments exclude staff debtors. Staff debtors comprise of recoveries from employees and do not meet the definition of financial instruments.

Deferred Income

Deferred income is recognised in the statement of financial position in the period in which Umalusi received payment in advance for services not yet rendered at the end of the reporting period.

1.7 Property, plant and equipment

Property, plant and equipment is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add or replace part of the asset.

The following property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses:

- Plant and Machinery
- Furniture and Fittings
- Motor Vehicles
- Office Equipment
- Computer Equipment
- Other Equipment and Computer Software

The land and buildings are revalued independently every four years. When land and buildings are revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation reserve/surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the

same asset previously recognised in surplus or deficit. Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation

Property, plant, and equipment is depreciated on a straight-line basis over the expected useful lives of the assets. The depreciable amount of an asset is allocated on a systematic basis over its useful life. Computer equipment (e.g., laptops, iPads) has a salvage value of 1,5% of the cost price at the end of its useful life. Due to the fact that the salvage value is immaterial, no residual value is considered when calculating the depreciation amount.

Useful lives

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

Item	Depreciation method	Average useful life
Land	Not applicable	Indefinite
Buildings	Straight-line	20-40 years
Plant and machinery	Straight-line	5 years
Furniture and fittings	Straight-line	4-6 years
Motor vehicles	Straight-line	7 years
Office equipment	Straight-line	5 years
Computer equipment	Straight-line	3 years
Other equipment and computer software	Straight-line	5 years

Assessment of useful lives

Umalusi assesses at each reporting date whether there is any indication that the useful lives of the assets have changed since the preceding reporting date. If any such indication exists, Umalusi revises the expected useful life value accordingly. The change is accounted for as a change in an accounting estimate.

1.8 Financial instruments

Umalusi recognises a financial asset or a financial liability in the statement of financial position upon entering into a

SIGNIFICANT ACCOUNTING POLICIES *contd.*

contract with other parties for the provision of goods and services. The financial asset or financial liability is initially measured at fair value and subsequently measured at amortised cost. In the case of financial assets, where there is evidence of possible non-payment and/or the outstanding debt remains unpaid for more than 120 days without any dispute or prior arrangement, a provision is made to reduce the gross amount of debt at the end of the financial year. The impairment loss is also recognised where there is objective evidence that the amortised cost is more than the possible recovery of the outstanding amount. The amount of the loss shall be recognised in surplus or deficit.

Classification

Umalusi has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

- Receivables from exchange transactions;
- Cash and cash equivalents;
- Deposits.

Umalusi has the following types of financial liabilities as reflected on the face of the statement of financial position or in the notes thereto:

- Payables from exchange transactions;
- Credit card (outstanding balance).

1.9 Statutory receivables Identification

Statutory receivables are comprised of outstanding amounts from quality assurance and certification fees at the end of the financial year. Umalusi charges certification fees for certifying qualifications registered on the General and Further Education and Training Qualifications Sub-Framework (GFETQSF). Quality assurance fees are based on the input cost of professional services rendered as per GENFETQA Act 58 of 2001. Statutory receivables are measured at fair value as per the approved fee tariff structure.

1.10 Prepayments

Prepayments are recognised in the statement of financial position only when Umalusi becomes a party to an arrangement where payment is made in advance for goods and services to be received after the end of the financial year. Prepaid electricity is accounted for as an expense in the statement of financial performance once payment is made. Negative leave balances or leave taken in advance at the end of the financial year is recognised as a prepaid expense.

1.11 Leases

Operating lease payment or income is recognised as expense or income in the statement of financial performance on a straight line basis over the lease term.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term in the statement of financial performance. Initial direct costs incurred in negotiating and arranging operating leases are recognised as an expense over the lease term on the same basis as the lease revenue. The difference between a straight line amount and actual revenue is recognised as an operating lease asset or liability. However, if Umalusi owns the leased asset, no operating lease asset is recognised.

Operating leases - lessee

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

1.12 Cash and cash equivalents

Cash and cash equivalents comprise bank balances, petty cash and deposits held in a Corporation of Public Deposits bank account with the South African Reserve Bank and are available on demand.

1.13 Revenue

Umalusi derives its revenue from both exchange and non-exchange transactions. Section 13(1) of GENFETQA Act 58 of 2001 outlines sources of revenue for Umalusi.

1.13.1 Revenue from exchange transactions

Umalusi's revenue from exchange transactions includes the following:

- Certification fees
- Verification fees
- Accreditation fees
- Quality assurance of assessment fees
- Interest income
- Rental income

1.13.2 Revenue from non-exchange transactions

Umalusi's revenue from non-exchange transactions includes:

- Government grant
- Donations and contributions

Recognition and Measurement

Revenue is recognised in the statement of financial performance by Umalusi after rendering quality assurance services as per the GENFETQA Act 58 of 2001. Revenue is also recognised by reference to the stage of completion of the transaction at the reporting date.

The **government grant** is recognised as revenue in the statement of financial performance in the period in which it is receivable from the Department of Basic Education (DBE).

SIGNIFICANT ACCOUNTING POLICIES *contd.*

Accreditation fees are recognised as revenue in the statement of financial performance after Umalusi has rendered services relating to the accreditation of academic institutions. Revenue is measured at fair value as per the approved fee structure and by reference to the stage of completion of the transaction at the reporting date.

Certification fees are recognised as revenue in the statement of financial performance after Umalusi has rendered services relating to the issuance of the academic certificates. Revenue is measured at fair value as per the approved fee structure.

Verification fees are recognised as revenue in the statement of financial performance after Umalusi has rendered services relating to the verification of academic qualifications. Revenue is measured at fair value as per the approved fee structure.

Interest income is recognised as revenue using the effective interest rate method, based on the balances of Umalusi's short-term deposits.

Quality assurance of assessment fees are recognised as revenue in the statement of financial performance by Umalusi after rendering quality assurance services as per the GENFETQA Act 58 of 2001. Revenue is measured at fair value as per the approved fee structure.

Rental income is recognised as revenue on a straight-line basis over the lease term in the statement of financial performance as per the lease agreement.

Donations and contributions are recognised as revenue in the statement of financial performance in the period in which they are received by Umalusi at fair value.

Other income is recognised as revenue in the statement of financial performance in the period in which it is received by Umalusi at fair value.

1.14 Employee benefits

1.14.1 Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and sick leave, bonuses, and benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Salaries and wages

Salaries and wages are recognised in the statement of financial performance in the period in which the services are rendered.

Leave Provision (Accumulated leave days)

Provision for leave is based on the unused number of days

at the end of the reporting period for each employee. According to Umalusi, leave policy, employees are allowed to accumulate leave days. However, Umalusi can only pay accumulated leave days limited to each employee's entitlement per annum. Where employees have negative annual leave balances at the end of the financial year, this annual negative leave will be accounted for as prepayment.

Performance bonus provision

The performance bonus is recognised as a provision in the statement of the financial position during the financial year in which employees have rendered service to Umalusi. Performance bonuses are payable to the employees who meet the requirements as per the Performance Management and Development Policy of Umalusi.

Accrued bonus

The accrued bonus is recognised in the statement of financial position during the financial year in which the accrual is made. Umalusi employees have two options to structure their 13th cheque, that is, annual payment or monthly payment. The accrued bonus is calculated for the employees who opted for annual payment. The bonus is calculated based on the amount accrued to each employee on a monthly basis at the end of the reporting period.

1.14.2 Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. They include the following:

Defined contribution plan

Umalusi provides for the retirement benefits of its employees through a defined contribution plan. Umalusi pays defined contributions to the Associated Institutions Pension Fund (AIPF). Umalusi has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when they are due. As of 1 April 2025 Umalusi will be making contributions to Government Employee Pension Fund (GEPF).

Defined benefit obligation (Post-retirement medical aid obligation)

Umalusi provides post-retirement medical care benefits to employees who completed a minimum of ten (10) years of unbroken service in government, have at the time of retirement been employed by Umalusi, and have opted to continue membership of their medical aid scheme.

SIGNIFICANT ACCOUNTING POLICIES *contd.*

The expected costs of these benefits are accrued over the period of employment, using the projected unit credit method. Actuarial gains and losses arising from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions are recognised in the statement of financial performance in the period in which they occur. Interest costs and service costs are recognised in surplus or deficit in the period in which they occur

Post-retirement medical aid fund

Umalusi opened an investment account with the South African Reserve Bank to fund the future liability of the medical aid obligation. This fund is held exclusively for post-retirement medical aid obligations. Umalusi makes contributions to this fund as and when funds are available. The investment account generates interest income on a monthly basis.

1.15 Moderation and verification costs (Honorariums)

Moderation and verification costs are recognised as expenses in the statement of financial performance during the period in which they are incurred. These expenses are comprised primarily of quality assurance fees for services rendered to Umalusi by independent contractors, and payments made to members of the Council, and Council Committees.

1.16 Other expenditure

Other expenses included in goods and services are recognised in the statement of financial performance when goods are received or services rendered during the financial year.

1.17 Budget information

Umalusi prepares the statement of comparison of the budget and the actual amount, which provides information on the resources that are utilised in accordance with the approved budget. The statement of budget and actual amounts is prepared on an accrual basis and presented per the economic classification of expenditure and revenue. The reasons for the variances between the budget and the actual amounts are given/provided for all variances above R200,000.

1.18 Provisions, Contingencies and Commitments

Provisions

Provisions are recorded in the statement of financial position when Umalusi has a present legal or constructive obligation to make payment as a result of the past events and the amount payable can be estimated, measured or quantified reliably. The provision is measured as the

best estimate of the funds required to settle the present obligation at the reporting date.

Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events. Contingent liabilities are not recognised but are disclosed, unless the outflow of economic benefits or service potential is remote..

Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events. Contingent assets are not recognised but are disclosed where an inflow of economic benefits or service potential is probable.

Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements when Umalusi enters into contracts during the financial year with suppliers for the provision of goods and/or services after the end of the financial year. These commitments are future capital expenditures that will result in the outflow of cash.

1.19 Bad debts provision

Umalusi assesses the recovery of its debts for impairment at the end of each reporting period. Management makes judgements as to whether there is observable data indicating a possible no-recovery of the outstanding debts. Where there is an indication of possible non-recovery, Umalusi makes provision for bad debts. The provision reduces the gross amount of the outstanding debt.

1.20 Related party transactions

A related party transaction is a transfer of resources, services or obligations between Umalusi and a related party. The related parties include, among others, the Department of Basic Education (Minister), Council and Council Committee Members and key management. Key management personnel are those persons who have the authority and responsibility for planning, directing, and controlling the activities of Umalusi. The number of individuals and their full compensation is recorded in the notes to the financial statements.

1.21 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed, and comprises of:

- fruitless and wasteful expenditure relating to previous financial year and identified in the current year;
- fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
- fruitless and wasteful expenditure that was under

SIGNIFICANT ACCOUNTING POLICIES *contd.*

assessment in the previous financial year and confirmed in the current financial year; and

- fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

1.22 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed and comprises of:

- irregular expenditure relating to previous financial year and identified in the current year;
- irregular expenditure incurred in the current year;
- irregular expenditure that was not discovered in the previous financial year; identified and confirmed in the current financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and will apply from April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 (as revised) Mergers	To be confirmed	Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	To be confirmed	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	To be confirmed	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be confirmed	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be confirmed	Impact is currently being assessed
• GRAP 103 (amended): Heritage Assets	To be confirmed	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Impact is currently being assessed
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact is currently being assessed

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.***3. Receivables from exchange transactions**

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Trade receivables	2,719,304	1,832,327
Reconciliation of receivables from exchange transactions		
Gross amount	3,225,767	2,425,942
Provision for bad debts	(506,463)	(593,615)
	2,719,304	1,832,327
Reconciliation for Provisions on receivables from exchange transactions		
Opening balance provision	(593,615)	(421,381)
Total debtors over 120 days	1,102,826	1,014,996
Bad debts written off	(2,748)	-
	506,463	593,615
Financial asset receivables included in receivables from exchange transactions above	(506,463)	(593,615)
Total receivables from exchange transactions	2,719,304	1,832,327

Receivables from exchange transactions - 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 2025, R 868,449 (31 March 2024: R 399,054) were past due but not impaired.

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

1 month past due	668,215	206,533
2 months past due	174,520	184,495
3 months past due	25,714	8,026

Receivables from exchange transactions impaired

As of 31 March 2025, trade and other receivables of R 506,463 (31 March 2024: R 593,615) were impaired and provided for.

The ageing of these debtors is as follows:

Over 120 days	506,463	593,615
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

4. Statutory receivables from exchange transactions

Figures in Rand

	31 March 2025 R'000	31 March 2024 Restated*
Statutory receivables	5,551,315	5,027,514
Statutory receivables included in receivables from exchange transactions above are as follows:		
Gross amount	7,726,197	5,292,250
Provision for bad debts	(2,174,882)	(2,063,355)
Quality assurance fees	-	1,798,619
	5,551,315	5,027,514
Reconciliation for Provision on statutory receivables from exchange transactions		
Opening balance provision	2,063,355	1,698,577
Total debtor over 120 days	787,221	364,778
Bad debts written off	(675,694)	-
	2,174,882	2,063,355
Statutory receivables from exchange transactions	5,551,315	5,027,514

Statutory receivables past due but not impaired

Statutory receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2025, R148,179 (31 March 2024: R271,394) were past due but not impaired.

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

1 month past due	24,546	69,250
2 months past due	131,589	180,334
3 months past due	(7,956)	21,810

Statutory receivables impaired

As of 31 March 2025, Statutory receivables of R2,252,526 (31 March 2024: R2,063,355) were impaired and provided for.

The ageing of these debtors is as follows:

Over 120 days	2,252,526	2,063,355
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

5. Bad debts written off

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Receivables from exchange transactions	2,748	-
Statutory receivables	675,694	-
	678,442	-

The Executive Committee of Council (EXCO) approved the write-off of irrecoverable debts amounting to R678,442 on 29 January 2025.

6. Other receivables

Deposits	3,450	3,450
Staff debtors	183,840	128,926
Third parties	34,810	-
	222,100	132,376

7. Prepayments

The prepayments relate to the following:

Software licence	5,279,126	2,946,173
Accommodation - AEAA conference	-	2,554,423
Leave utilised in advance	20,493	99,973
Flights	293,010	-
	5,592,629	5,600,569

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,110	2,146
Bank balances	595,533	1,569,998
Short-term deposits	18,304,776	30,296,618
Bank - AEAA conference	-	360,000
Pay- fast	121,131	47,538
	19,022,550	32,276,300

Cash and cash equivalents held by Umalusi is not available for use by any other entity. There are no restrictions on the utilisation of cash and cash equivalents imposed on Umalusi.

The bank account for AEAA conference was closed on 19 March 2025. The balance was transferred to the Umalusi ABSA account to replenish the expenses incurred for the conference through the admin account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

9. Property, plant and equipment

Figures in Rand	March 2025			March 2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	11,020,000	-	11,020,000	11,020,000	-	11,020,000
Buildings	67,236,270	(9,816,779)	57,419,491	66,818,819	(5,138,818)	61,680,001
Plant and machinery	58,600	(32,412)	26,188	58,600	(24,772)	33,828
Furniture and fixtures	3,787,689	(3,192,386)	595,303	3,787,689	(3,037,386)	750,303
Motor vehicles	360,445	(296,544)	63,901	360,445	(275,244)	85,201
Office equipment	5,795,653	(2,843,287)	2,952,366	5,084,429	(1,930,145)	3,154,284
Computer equipment	17,940,299	(13,213,058)	4,727,241	16,404,552	(8,800,174)	7,604,378
Computer software	216,900	(216,900)	-	216,900	(216,900)	-
Other equipment	2,035,258	(1,262,153)	773,105	2,035,258	(924,761)	1,110,497
Total	108,451,114	(30,873,519)	77,577,595	105,786,692	(20,348,200)	85,438,492

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

9. Property, plant and equipment *contd.*

Reconciliation of property, plant and equipment - March 2025

Figures in Rand	Opening Balance	Additions	Disposals	Depreciation	Total
Land	11,020,000	-	-	-	11,020,000
Buildings	61,680,001	417,452	-	(4,677,962)	57,419,491
Plant and machinery	33,828	-	-	(7,640)	26,188
Furniture and fixtures	750,303	-	-	(155,000)	595,303
Motor vehicles	85,201	-	-	(21,300)	63,901
Office equipment	3,154,284	711,225	-	(913,143)	2,952,366
Computer equipment	7,604,378	1,627,296	(48,035)	(4,456,398)	4,727,241
Other equipment	1,110,497	-	-	(337,392)	773,105
	85,438,492	2,755,973	(48,035)	(10,568,835)	77,577,595

Reconciliation of property, plant and equipment - March 2024

Figures in Rand	Opening Balance	Additions	Disposals	Revaluations	Reassessment	Depreciation	Total
Land	10,000,000	-	-	1,020,000	-	-	11,020,000
Buildings	50,799,693	1,574,355	-	12,910,872	-	(3,604,919)	61,680,001
Plant and machinery	-	32,600	-	-	6,609	(5,381)	33,828
Furniture and fixtures	923,756	958,565	(12,831)	-	117,160	(1,236,347)	750,303
Motor vehicles	106,229	-	-	-	-	(21,028)	85,201
Office equipment	2,019,756	1,804,466	(29,692)	-	140,719	(780,965)	3,154,284
Computer equipment	6,492,993	4,804,068	(319,886)	-	677,923	(4,050,720)	7,604,378
Other equipment	1,401,977	-	-	-	56,738	(348,218)	1,110,497
	71,744,404	9,174,054	(362,409)	13,930,872	999,149	(10,047,578)	85,438,492

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

9. Property, plant and equipment *contd.*

Revaluations

Land and buildings are re-valued independently every four years. Last revaluation took effect on 31 March 2024 and was conducted by independent valuers. The revaluation was performed by a registered member (6602/8) of the South African Institute of Valuers.

The valuation was performed using the income capitalisation method. This method involves assessing the net normalised annual income of the property, assuming it is fully leased at market related rentals and market escalations. The land and buildings, located at both 37 and 41 van Reneveld street, portion of 1 and 2 of Erf2, Persekor Township, Gauteng and measuring 5 721 and 5 879 square meters respectively are valued at R40,200,000 and R32,500,000 respectively

Restrictions

Umalusi owns the above-mentioned land and buildings. There are no encumbrances or mortgage claims against Umalusi properties.

Reassessment

All categories of assets except land and buildings were reassessed at the end of financial year. Land and building are revalued every four years. Given the fact that most assets were reassessed in the previous financial year, management considered the reassessed useful lives appropriate. Only few assets which were due to reach the end of their useful lives in the current year were reassessed.

Depreciation - Buildings

Umalusi House (Building no.37) is depreciated over 40 years. The useful life was reassessed in 2023/24 financial year from 20 years to 40 years.

Thuto- Mfundo (Building no.41) is depreciated over 20 years. The useful life was not adjusted after reassessment.

Expenditure incurred to repair and maintain property, plant and equipment

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Land	662,662	431,003
Buildings	1,769,075	1,150,627
Office Equipment	578,626	376,345
	3,010,363	1,957,975
	(49,575)	(84,767)

10. Operating lease asset (liability)

Lease Liability

Umalusi has operating lease agreements with two entities. The lease agreements have a three and five year lease terms with options for renewal. There are no restrictions on the leased properties. The operating lease liability is as a result of smoothing between the actual lease payments and straight lining.

Minimum lease payments due

- within one year	1,510,861	1,402,521
- in second to fifth year	2,676,808	2,676,808
	4,187,669	4,079,329

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

11. Payables from exchange transactions

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Trade payables	8,662,673	2,267,168
Unknown deposits	40,314	315,089
Accrued expense	5,293,430	6,770,643
Payroll creditors	-	82,925
Credit card	1,317	6,194
	13,997,734	9,442,019

12. Short - term employee benefits

Accumulated Leave Obligation	5,103,239	4,366,569
Performance Bonus Provision	2,700,000	2,623,677
Accrued Bonus	1,345,262	1,159,593
	9,148,501	8,149,839

Reconciliation - March 2025

Figures in Rand	Opening Balance	Additions	Utilised during the year	Total
Accumulated Leave Obligation	4,366,569	9,046,040	(8,309,378)	5,103,231
Performance Bonus Provision	2,623,677	2,700,000	(2,623,677)	2,700,000
	6,990,246	11,746,040	(10,933,055)	7,803,231

Reconciliation - March 2024

Figures in Rand	Opening Balance	Additions	Utilised during the year	Total
Accumulated Leave Obligation	5,492,121	8,738,677	(11,510,946)	2,719,852
Performance Bonus Provision	2,378,426	2,623,677	(2,378,426)	2,623,677
	7,870,547	11,362,354	(13,889,372)	5,343,529

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

12. Short - term employee benefits *contd.*

Accumulated Leave Obligation

Umalusi employee are allowed to accumulate leave days. However, payment for leave days is limited to the number of days the employees are entitled to per annum. The amount of R2 719 852 was incorrectly calculated in the previous financial year. The opening balance was restated post corrections.

Performance Bonus Provision

The performance bonus is payable to the qualifying employees or the employees who meet the requirements as per the performance management and development policy. Provision is made at the end of the reporting period based on historical information.

Accrued Bonus

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
	1,345,263	1,159,593
	1,345,263	1,159,593

Umalusi employees have two options to structure their 13th cheque, that is, annual payment or monthly payment. The accrued bonus is calculated for the employees who opted for annual payment. The bonus is calculated based on the amount accrued to each employee on a monthly basis at the end of the reporting period.

13. Deferred income

Movement in deferred income

Opening balance	10,624,792	10,890,084
Net adjustment	2,386,210	(265,292)
	13,011,002	10,624,792

The deferred income is comprised of advance payments made by the applicants to Umalusi for the services not yet rendered at the end of the reporting period. These amounts are recognised as revenue after service has been rendered by Umalusi.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.***14. Employee benefit obligations****Defined benefit plans - General information****Defined benefit obligation**

Umalusi offers active employees and continuation pensioners the opportunity to belong to one medical aid scheme of their choice. Upon retirement, a continuation pensioner may continue membership in the medical aid scheme. Umalusi makes a contribution per month on behalf of the retirees, provided the retired employee has completed a minimum of ten (10) years of unbroken service in government and has retired while working for Umalusi.

The actuarial valuation for the defined benefit obligation was done by Pangaea Expertise & Solutions, whose directors and employees are independent from Umalusi. In accordance with the requirements of GRAP 25, the Projected Unit Credit method has been applied. The assumption underlying the funding method is that the employer's post-employment medical scheme costs in respect of an employee should be fully recognised by the time that the employee reaches fully accrued age. The evaluation has been made with reference to the Actuarial Society of South Africa (ASSA) guidelines, in particular, the Advisory Practice Note 301, and is consistent with the requirements of GRAP 25. The performance management and development policy. Provision is made at the end of the reporting period based on historical information.

Post - retirement medical aid fund

Umalusi opened an investment account to fund the post-retirement medical aid obligation for the qualifying retired employees. Umalusi invested R9 million in the investment account as of March 2025.

The current and previous periods**Fair value of liability and asset**

Figures in Rand	31 March 2024 R'000	31 March 2025 R'000	31 March 2026 R'000
Defined benefit liability	(11,865,000)	(14,379,000)	(15,543,000)
Post-retirement medical aid fund	6,346,237	10,001,577	11,131,529
Subtotal	(5,518,763)	(4,377,423)	(4,411,471)
	(5,518,763)	(4,377,423)	(4,411,471)

The projected fair value of plan assets as at 31 March 2026 does not include any capital injection from the employer into the plan assets for the financial period 2025/26.

Net interest on defined benefit liability

	31 March 2024 R'000	31 March 2025 R'000
Interest cost	990,000	1,549,000
Interest received on plan assets	(346,237)	(655,340)
	643,763	893,660

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

14. Employee benefit obligations *contd.*

Summary of actuarial valuation

The summary is a reconciliation of the opening accrued liability as at the prior valuation date of 31 March 2024 to the current valuation of 31 March 2025 and the projections as at 31 March 2025.

	31 March 2024 R'000	31 March 2025 R'000	31 March 2026 R'000
Opening liability	9,549,000	11,865,000	14,379,000
Service cost	597,000	1,895,000	1,203,000
Net interest expense	643,763	893,660	466,000
Medical aid subsidies paid to pensioners	(416,000)	(485,000)	(505,000)
Actual and projected liability	10,373,763	14,168,660	15,543,000
Remeasurement	1,491,237	210,340	-
	11,865,000	14,379,000	15,543,000

The amounts recognised in the statement of financial position are as follows:

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Carrying value		
Present value of the defined benefit obligation	(14,379,000)	(11,865,000)
Fair value of plan assets	10,001,577	6,346,237
	(4,377,423)	(5,518,763)

Expenses recognised in the statement of financial performance are as follows:

Service cost	1,895,000	597,000
- Current service cost	1,895,000	597,000
Net interest on the net defined benefit liability (asset)	893,660	990,000
Remeasurements of the net defined benefit liability (asset)	(274,660)	729,000
- Actuarial gains and losses arising from:	(274,660)	729,000
- Changes in financial assumptions	210,340	1,145,000
- Actual subsidies paid to pensioners	(485,000)	(416,000)
	2,514,000	2,316,000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

14. Employee benefit obligations *contd.*

Key assumptions used

Assumptions used at the reporting date:

	31 March 2025 R'000	31 March 2024 R'000
Financial assumptions		
Discount rate (D)	11.30%	13.27%
Consumer price inflation (CPI)	5.88%	7.76%
Health care cost inflation (H)	CPI+1.5%	CPI+1.5%
Maximum subsidy inflation	0.5*CPI	0.5*CPI
Net discount rate $((1+D)/(1+H)-1)$	3.65%	3.67%

Demographic assumptions

	Active employees	Pensioners
Normal retirement age	60*	-
Employment age used for past service period	Actual service entry ages	Actual service entry ages
Mortality	SA85-90 (Normal)	PA (90)
Continuation percentage of post- employment medical aid subsidies at retirement	100%	N/A

Sensitivity analysis

Figures in Rand	Percentage Change	1% decrease	Valuation Basis	1% increase	Percentage Change
Maximum Subsidy Inflation Rate					
Opening accrued liability	-9.43%	10,746,000	11,865,000	13,236,000	11.55%
Service cost	-10.24%	1,701,000	1,895,000	2,126,000	12.19%
Net interest expense	-9.62%	1,400,000	1,549,000	1,712,000	10.52%
Discount Rate					
Opening accrued liability	7.48%	12,752,000	11,865,000	10,584,000	-10.80%
Service cost	7.39%	2,035,000	1,895,000	1,686,000	-11.03%
Net interest expense	-0.58%	1,540,000	1,549,000	1,482,000	-4.33%
Consumer Price Index					
Opening accrued liability	-5.15%	13,638,000	14,379,000	15,182,000	5.58%
Service cost	-6.73%	1,122,000	1,203,000	1,293,000	7.8%
Net interest expense	-17.18%	383,000	466,000	557,000	19.53%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

15. Revaluation reserve

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Opening balance	23,393,588	9,842,290
Revaluations of Land and Buildings: Umalusi House and Thuto-Mfundo	-	13,551,298
	23,393,588	23,393,588

16. Revenue

The amount included in revenue arising from exchanges of transactions are as follows:

Accreditation fees	7,055,185	7,263,915
Certification fees	8,574,556	7,827,491
Verification fees	21,366,899	18,448,401
Rental income	1,452,095	1,298,137
Other income	6,135,147	3,531,663
Interest received - short term deposit	3,445,793	4,671,619
	48,029,675	43,041,226

Other Income

Quality assurance fees	1,810,654	1,798,619
AEEA conference fees	3,392,401	360,000
Proceeds on disposals of assets	85,979	-
Recovery SETA	-	984,277
Sundry income	846,113	388,767
	6,135,147	3,531,663

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

17. Government grants & subsidies

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

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Government grant	166,918,000	162,945,000
Donations - AEAA Conference	548,970	-
Unicef	400,000	-
OldMutual	250,000	-
MTN	50,000	-
Oxford	70,000	-
Government Printing	110,688	-
IEB	30,000	-
FUNDI	50,000	-
Cambridge	150,000	-
ETDP SETA	20,000	-
COLTECH	1,679,658	-

18. Employee related costs

Total Earnings and other costs	88,095,862	79,237,076
Medical aid	3,348,434	2,932,343
UIF	642,771	589,634
Pension	13,475,747	10,548,279
	105,562,814	93,307,332

19. Provision for doubtful debts

Contributions to debt impairment provision	24,375	537,010
Bad debts written off	597,094	-
	621,469	537,010

The Executive Committee of Council (EXCO) approved the write-off of irrecoverable debts amounting to R678,442 on 29 January 2025.

20. Moderation and verification costs

Moderation and verification cost	44,609,821	40,443,667
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Umalusi contracts external moderators to conduct external moderation of question papers and marking guidelines to ensure that standards are maintained. The moderation of question papers is a critical quality assurance process that ensures that question papers are relatively fair, valid and reliable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

21. General expenses

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Advertising	153,143	383,114
Auditors fees	3,558,165	1,249,269
Bank charges	389,415	387,232
Cleaning	1,051,487	992,737
Computer and licensing	7,956,750	6,566,069
Consulting and professional fees	5,148,573	3,181,365
Insurance	361,323	384,024
IT expenses	14,234,659	13,690,409
Levies	1,867,367	1,514,139
Printing and stationery	1,780,145	903,907
Courier fees	1,067,788	738,972
Repairs and maintenance	3,010,363	2,828,566
Records management	225,249	203,664
Security	2,260,728	1,970,513
Subscriptions and membership fees	158,793	207,995
Telephone	692,525	1,200,313
Training	679,445	653,079
Travel - local	16,202,010	11,243,004
Travel - overseas	1,510,524	1,223,493
Catering	707,793	372,309
Electricity	2,135,649	2,053,121
Certificate paper	2,133,296	2,599,000
Employee wellness	287,545	258,225
Interviews and recruitment	1,353,357	1,473,591
Other expenses	1,163,637	1,212,733
Refreshments	401,782	469,777
Conferences and workshop	7,142,461	642,730
Loss on disposal of assets	48,036	367,065
Venue expenses	971,881	786,396
	78,653,889	59,756,811

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.***22. Cash flows from operating activities**

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Receipts		
Accreditation fees	13,472,685	9,085,610
Certification fees	1,274,399	1,593,002
Verification fees	24,307,323	22,133,979
Rental income	1,113,371	810,148
Sundry income	233,616	29,364
AEAA Conference	1,554,212	-
Assessment Body	888,357	2,435,760
Grant - DBE	166,918,000	162,945,000
Interest Received - CPD	3,395,159	4,627,450
Interest Received - ABSA	50,635	44,169
	213,207,757	203,704,482
Payments		
Employee costs	(121,252,259)	(106,583,638)
External claims	(35,429,485)	(31,591,234)
Suppliers	(67,035,346)	(68,190,531)
	(223,717,090)	(206,365,403)
	(10,509,333)	(2,660,921)

23. Commitments

Capital expenditure	532,451	-
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The capital expenditure relates to the renovations of the Umalusi House (Building no.37).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

24. Cash used in operations

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Deficit	(26,388,495)	(838,172)
Adjustments for:		
Depreciation and amortisation	10,568,835	10,047,578
Loss on disposal of assets	893,660	-
Movements in operating lease assets and accruals	(35,192)	37,507
Movements in retirement benefit assets and liabilities	(1,141,340)	(3,337,763)
Movements in provisions	744,073	1,282,341
Deferred Income	2,388,566	(265,292)
Reassessment	-	(443,494)
Remeasurement	(210,340)	(1,491,237)
Rental smoothing	(1,452,095)	(1,298,137)
Lease rentals on operating lease	(346,423)	398,200
Changes in working capital:		
Receivables from exchange transactions	(886,977)	94,396
Consumer debtors	(621,469)	(537,010)
Other receivables from non-exchange transactions	(523,801)	(358,153)
Statutory receivables	(89,724)	(42,708)
Prepayments	7,940	(3,478,803)
Payables from exchange transactions	6,595,005	(2,430,174)
	(10,497,777)	(2,660,921)

25. Related parties

Relationships

Department of Basic Education (The Minister) - Controlling entity (Executive Authority for Umalusi)

Associated Institutions Pension Fund - Associated Pension Fund owned by state (Defined Contribution Plan)

Council members - Accounting Authority for Umalusi

Executive and Senior Management - responsible for managing Umalusi's operations

Related party transactions

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Amount paid to (received from) related parties		
Department of Basic Education	(166,918,000)	(162,945,000)
Associated Institutions Pension Fund	13,475,747	10,548,279
Council members	1,132,538	1,044,406
Executive and Senior Management	22,148,272	21,072,386

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

25. Related parties *contd.*

Remuneration of management

Executive and senior Management

31 March 2025

Figures in Rand	Basic salary	Performance bonus	Retirement fund contributions	Medical contributions	Other benefits received	Total
Name						
CEO: Dr MS Rakometsi	2,620,114	171,864	240,609	5,800	340,276	3,378,663
CFO: Mr MH van der Walt	1,445,566	99,994	139,819	34,800	88,195	1,808,374
EM: Q&R - Mr E Sibanda	1,471,010	98,516	137,753	34,800	23,729	1,765,808
EM: QAM - Dr E Sujee	1,378,571	-	126,136	-	33,012	1,537,719
SM: QAA(SQ) - Ms ML Madalane (Retired 30/04/2024)	300,102	84,730	9,945	2,900	3,100	400,777
SM:QAA(SQ) - Ms M Malia (Commenced 01/06/2024)	957,080	-	88,083	29,000	26,339	1,100,502
SM: QAA(PSQ) - Dr M Dliwayo	1,185,818	53,211	111,627	34,800	27,293	1,412,749
SM: E&A - Ms C Thomas	1,274,990	83,478	116,726	-	17,226	1,492,420
SM: S&G - Ms SB Mosimege (Resigned 31/05/2024)	413,697	94,213	20,970	-	17,902	546,782
SM: SIR - Dr MA Mohale	1,219,387	53,221	111,627	-	25,809	1,410,044
SM: S&G - Ms M Mokoena (Commenced 01/09/2024)	681,128	-	62,348	2,900	5,521	751,897
SM: PR&COMMS - Mr B Lepota	1,202,815	79,832	111,627	23,181	12,444	1,429,899
SM: HCM - Mr MP Mabelebele	1,144,053	-	108,485	34,800	17,816	1,305,154
SM: F&SCM - Dr MK Monate	1,153,148	-	106,882	31,900	11,430	1,303,360
SM: QCC - Mr D Twala	1,151,894	-	106,882	25,368	41,188	1,325,332
SM: ICT Mr T Khaha	1,102,394	-	105,303	-	24,306	1,232,003
	18,701,767	819,059	1,704,822	260,249	715,586	22,201,483

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*25. Related parties *contd.*

Remuneration of management

Executive and senior Management

31 March 2024

Figures in Rand	Basic salary	Performance bonus	Retirement fund contributions	Medical contributions	Other benefits received	Total
Name						
CEO: Dr MS Rakomeksi	3,348,892	145,730	291,978	-	311,889	4,098,489
CFO: Mr MH van der Walt	1,290,462	89,870	125,818	34,800	72,589	1,613,539
EM: Q&R - Mr E Sibanda	1,318,447	88,560	123,984	34,800	22,544	1,588,335
EM: QAM - Ms Z Modimakwane (Retired - 30/04/2023)	183,155	102,795	11,302	2,900	163,466	463,618
EM: QAM - Dr E Sujee (Promoted - 01/05/2023)	1,166,824	73,937	106,023	-	21,027	1,367,811
SM:QAA(SQ) - Ms ML Madalane	1,114,986	50,757	114,203	34,800	14,797	1,329,543
SM: QAA(PSQ) - Dr M Dliwayo	1,062,467	23,934	100,525	34,800	10,998	1,232,724
SM: E&A - Ms C Thomas	1,152,087	75,028	105,039	-	17,722	1,349,876
SM: S&G - Ms SB Mosimege	1,309,101	85,997	120,396	-	9,000	1,524,494
SM: SIR - Dr MA Mohale	1,102,299	-	100,525	-	24,691	1,227,515
SM: QCC - Dr E Sujee (Promoted - 30/04/2023)	83,335	-	8,213	-	-	91,548
SM: ICT - Mr S Maluleka (Resigned 31/01/2024)	846,368	76,135	88,824	29,000	243,760	1,284,087
SM: PR&COMMS - Mr B Lepota	1,102,577	47,869	100,525	-	149,883	1,400,854
SM: HCM - Mr MP Mabelebele (Commenced -01/09/2023)	627,263	-	57,788	2,900	3,746	691,697
SM: F&SCM - Dr MK Monate (Commenced - 07/08/2023)	678,450	-	63,616	14,500	83,065	839,631
SM: QCC - Mr D Twala (Promoted - 01/07/2023)	818,828	38,099	73,508	-	38,190	968,625
	17,205,541	898,711	1,592,267	188,500	1,187,367	21,072,386

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

25. Related parties *contd.*

Council Members

31 March 2025

Figures in Rand	Fees for services rendered	Other benefits received	Total
Name			
Prof Y Balim (Chairperson)	259,238	12,507	271,745
Prof TP Msibi (Deputy Chair)	108,837	1,200	110,037
Mr DB Hindle	139,888	13,968	153,856
Dr L Mokotjo	94,430	3,454	97,884
Dr C Myburgh	141,428	2,135	143,563
Dr KM Dos Reis	54,454	300	54,754
Adv MJ Merabe	24,108	360	24,468
Prof M Metcalfe	34,770	400	35,170
Prof L Jita	139,065	1,061	140,126
Mr NT Jonstone	53,960	1,272	55,232
Ms F Solomon	24,282	200	24,482
Ms L Moyane	-	4,833	4,833
Dr RE Moraka	16,188	200	16,388
	1,090,648	41,890	1,132,538

Council Members

31 March 2024

Figures in Rand	Fees for services as a member of management	Other benefits received	Total
Name			
Prof Y Balim (Chairperson)	255,874	5,795	261,669
Prof TP Msibi (Deputy Chair)	116,655	1,040	117,695
Mr DB Hindle	82,364	6,714	89,078
Dr L Mokotjo	80,940	2,957	83,897
Dr C Myburgh	138,424	1,850	140,274
Dr KM Dos Reis	62,376	300	62,676
Adv MJ Merabe	26,806	216	27,022
Prof M Metcalfe	44,764	400	45,164
Prof L Jita	124,976	2,115	127,091
Mr NT Jonstone	53,960	3,719	57,679
Ms F Solomon	26,980	200	27,180
Ms L Moyane	-	4,981	4,981
	1,014,119	30,287	1,044,406

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

26. Risk management

Financial risk management

Umalusi's activities expose it to credit risk and liquidity risk.

Liquidity risk

Umalusi is only exposed to liquidity risk with regards to the payment of its payables. These payables are due within 30 days, except where the contract stipulates otherwise. Umalusi manages its liquidity risk by holding sufficient cash in the primary bank account (ABSA), which is also supplemented by cash available in short term deposits held in Corporation for Public Deposits (CPD).

The CPD was established as a subsidiary of the South African Reserve Bank in 1984. The CPD is governed by the Corporation for Public Deposits Acts 46 of 1984. The CPD accepts call deposits from the public sector and invest the funds in short-term money-market instruments and special Treasury bills. With the permission of the Minister of Finance, the CPD may also accept call deposits from other depositors. All funds invested with CPD, and other interest earned on these funds, are payable on demand.

At 31 March 2025	30 days	60 days	90 days	120 days
• Payables from exchange transactions	7,629,128	360,380	462,712	210,453
At 31 March 2024	30 days	60 days	90 days	120 days
• Payables from exchange transactions	1,586,180	68,928	590,314	21,745

Credit risk

The bank balances are held with a registered banking institution and are regarded as having an insignificant credit risk. The short-term deposit is held at the Corporation for Public Deposits (CPD), which has the same rating as the South African Reserve Bank. Cash in investment accounts is kept at maximum in order to maximise interest earned. Rates on funds deposited with the CPD are higher than those earned on funds on the short-term money market. Trade receivables have been adequately assessed for impairment. Credit risk is managed on a group basis.

Financial assets exposed to credit risk were as follows:

Financial instrument

Figures in Rand	31 March 2025 R'000	31 March 2024 Restated*
Receivables from exchange transactions	3,225,767	2,425,942
Deposits (City of Tshwane)	3,450	3,450
Cash and cash equivalents	19,010,994	32,276,300

Cash and cash equivalents held by Umalusi is not available for use by any other entity. There are no restrictions on the utilisation of cash and cash equivalents imposed on Umalusi.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

27. Financial instruments disclosure

2024/2025

Financial assets

Figures in Rand	At amortised cost R'000	Total R'000
Receivables from exchange transactions	2,719,304	2,719,304
Deposits (City of Tshwane)	3,450	3,450
Cash and cash equivalents	19,010,994	19,010,994
	21,733,748	21,733,748

Financial liabilities

Trade and other payables from exchange transactions	8,662,672	8,662,672
Credit card	1,317	1,317
	8,663,989	8,663,989

2024/2025

Financial assets

Receivables from exchange transactions	1,832,327	1,832,327
Deposits (City of Tshwane)	3,450	3,450
Cash and cash equivalents	32,276,300	32,276,300
	34,112,077	34,112,077

Financial liabilities

Trade and other payables from exchange transactions	2,267,168	2,267,168
Credit card	6,194	6,194
	2,273,362	2,273,362

28. Going concern

The audited 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 ability of the Umalusi to continue as a going concern is dependent on it receiving a grant from the Department of Basic Education (DBE). As at the time of the preparation of these financial statements, the Department of Basic Education (DBE) had committed to funding Umalusi for the period 2025/26 to 2028/29.

29. Events after the reporting date

The management has reviewed all events that may affect Umalusi after the reporting period and before the Annual Financial Statements are issued or are available to be issued for authorisation. There were no adjusting events identified subsequent to 31 March 2025. However, management would like to highlight that effective from 1 April 2025, the pension fund for Umalusi employees will be administered by the Government Employee Pension Fund (GEPP) and not the Associated Institutions Pension Fund (AIPF).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

30. Contingent assets and liabilities

Contingent assets

Joint Venture (construction project)

In the 2017/18 financial year, a contract was awarded for the refurbishment of the Umalusi property at 41 van Reyneveld street. This contract was cancelled due to fraudulent allegations amongst the members of the Joint Venture. At the time of cancellation, Umalusi had paid for long-lead items and these have not been delivered. The matter has since been reported to law enforcement to recover the amount and is still under investigation. Umalusi has instituted legal action against the parties of the Joint Venture to recover the outstanding amount of R7,748,565. It is anticipated that the process will be concluded during the 2025/26 financial year.

Randview College

Umalusi was directed to accredit Randview college as a Grade 12 exam centre through an application for relief in High court. The application was dismissed with costs. Umalusi was informed that the legal team issued a Notice of intent to tax bill of cost on 22 April 2025 in the amount of R66,240. The outcome of the intended tax bill of cost will only be known after the submission of these Annual Financial Statements.

Contingent liabilities

Umalusi did not have contingent liabilities for the current financial year. Umalusi will declare a deficit amounting to R7 863 340 for the 2024/2025 financial year after the 2024/25 audit is completed and the auditors have signed off the AFS, in line with National Treasury Instruction No. 12 of 2020/21.

31. Segment information

General information

Identification of segments

According to GRAP 18, segment reporting is applicable where the entity has distinguishable components that are engaged in providing specific outputs or achieving particular outcomes, with different risks and returns, and are regularly reviewed by the entity's management. A segment report must be provided if the entity's operations are diverse enough to warrant disclosure of financial and non-financial information by segment, to enhance accountability and decision-making.

GRAP 18 is not applicable to Umalusi because it is a single entity with an overarching mandate in terms of the General and Further Education and Training Quality Assurance Act (GENFETQA), Act 58 of 2001, and the operations are not diverse enough to be broken down meaningfully. The different units within Umalusi work for one common goal. While Umalusi's geographic location is in Pretoria, its mandate covers the entire country of South Africa and is not restricted to specific areas.

32. Irregular, fruitless and wasteful expenditure

Figures in Rand

	31 March 2025 R'000	31 March 2024 Restated*
Fruitless and wasteful expenditure	6,523	1,074,536
Irregular expenditure	-	484,590
Closing balance	6,523	1,559,126

The Executive Committee of Council condoned irregular, fruitless and wasteful expenditure of R1,559,126 on 29 January 2025. The amount of R6 523 is a finance charge for outstanding balance (Nedbank).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.***33. Prior-year adjustments**

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position**2024/2025**

Figures in Rand	As previously reported	Correction of error	Surplus / (Deficit)	Re- classification	Restated
Employee benefit obligation (Net defined benefit liability)	(5,865,000)	346,237	-	-	(5,518,763)
Accumulated surplus	(77,017,966)	2,277,440	1,646,716	-	(73,093,810)
Accounts payable	(10,601,613)	-	-	1,159,594	(9,442,019)
Short-term employee benefit	-	(2,623,676)	-	(5,526,163)	(8,149,839)
Provisions	(2,719,852)	(1,646,717)	-	4,366,569	-
	(96,204,431)	(1,646,716)	1,646,716	-	(96,204,431)

Statement of financial performance**2024/2025**

Figures in Rand	As previously reported	Correction of error	Re- classification	Restated
Other income	3,185,426	346,237	-	3,531,663
Remeasurement - defined benefit obligation	(1,145,000)	(346,237)	-	(1,491,237)
Loss on disposal of assets and liabilities	(367,065)	-	(367,065)	-
General expenses	(59,816,309)	-	59,498	(59,756,811)
Employee-related cost	(92,076,616)	(1,646,716)	416,000	(93,307,332)
Service cost	-	-	(597,000)	(597,000)
Net interest on defined benefit liability	-	-	(643,763)	(643,763)
Lease rentals on operating lease	(398,200)	-	398,200	-
	(150,617,764)	(1,646,716)	-	(152,264,480)

Reclassification and Corrections**Accumulated surplus**

The amount of R2,623,677 was moved from accumulated surplus and reclassified as a provision for bonus, which forms part of short-term employee benefit.

Accounts payable

The amount of R1,159,594 for accrued bonus was moved from accounts payable to short-term employee benefit.

Short - term employee benefit

Accumulated leave, accrued bonus and performance bonus provision are reclassified under short-term employee benefit.

Other income

The amount of R346,637 was incorrectly deducted from other income.

Interest received - short - term deposit

The interest received - investment was renamed interest received - short-term deposit. The change of name was made to differentiate interest received in short-term and long-term investment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *contd.*

33. Prior-year adjustments *contd.*

Provisions

The amount of R2,719,852 for provisions was incorrectly calculated in the previous financial year. The provision is now reclassified under short-term Employee benefit.

Employee benefit obligation (Net defined benefit liability)

Net defined benefit liability was renamed to employee benefit obligation. The interest amount of R346,237 was not added (capitalised) to the retirement medical aid fund in the previous financial year.

Remeasurement- defined benefit obligation

The remeasurement amount was incorrectly calculated in the previous financial year as R 1,145,000. The amount was corrected in the current financial year.

General expenses

General expenses includes Loss on disposal of assets and liabilities (which was previously presented in the Statement of Financial Performance) and excludes service cost and net interest on defined benefit liability.

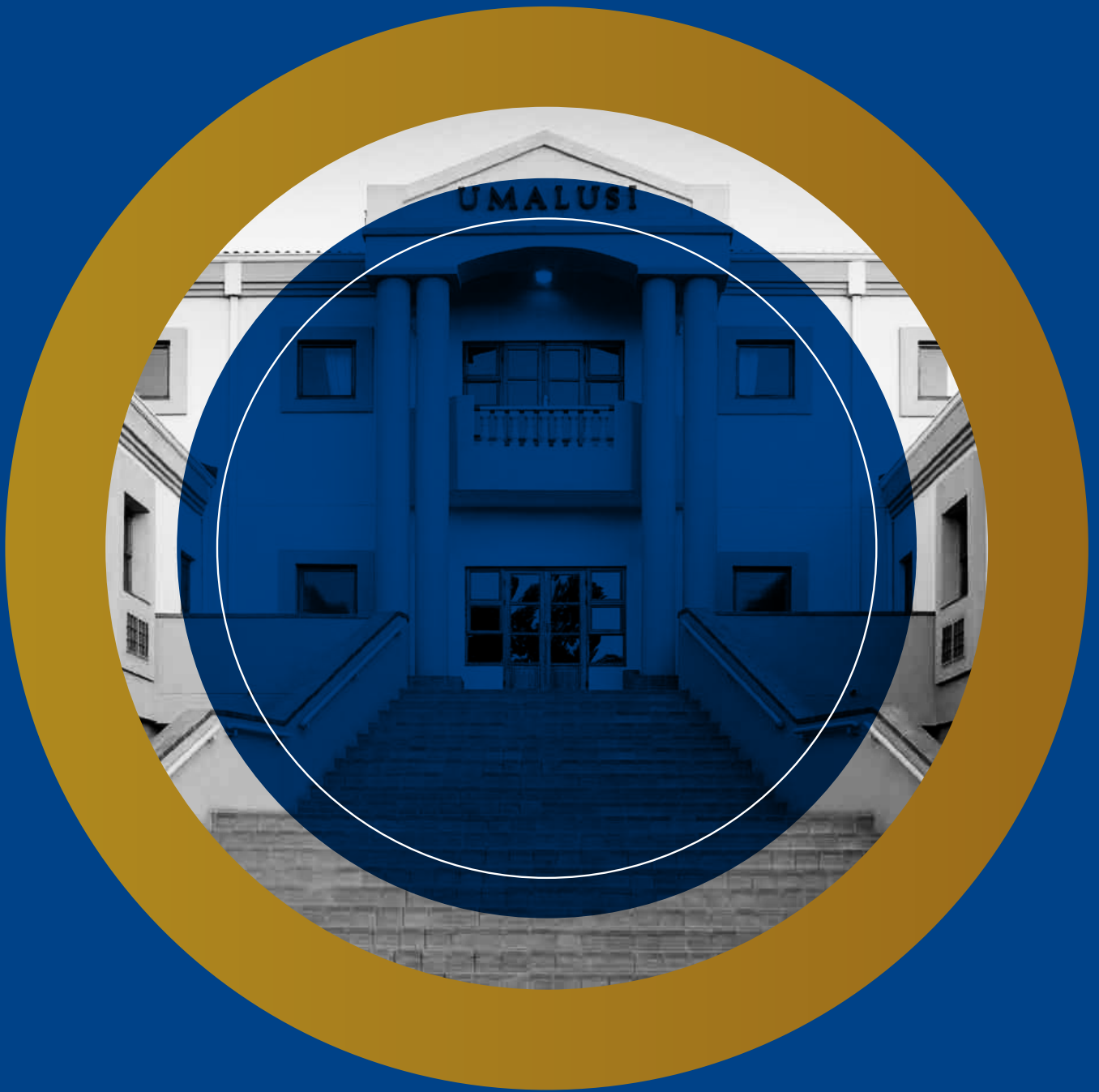
The General expenses amounts have been reclassified to be in line with use/function for the expenditure which will result in a more enhanced presentation. These reclassifications had no effect on the reported amounts.

Employee related cost

The amount of R92,076,616 was increased by R1,646,716 (under provision for accumulated leave) in the current financial year. The amount of R416,000 was deducted from employee related cost and added to the calculation of the defined benefit obligation.

Service cost and Net interest on defined benefit liability

These accounts were previously included in the general expenses.



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General and Further Education and Training