REVISED STRATEGIC PLAN

FOR THE FISCAL YEARS 2012/13 – 2016/17

QCTO

Quality Council for Trades & Occupations

REVISED STRATEGIC PLAN
FOR THE FISCAL YEARS 2012/13 – 2016/17

FOREWORD

While established legally as at 1 April 2010, the QCTO truly became operational 1 April 2012. During this year (2012-2013) much was achieved and learned. The actual operating experience highlighted the need to revise the QCTO's original five year Strategic Plan. The revisions contained herein reveal objectives and targets that are more focused and better directed. It is expected that the revision of the objectives and their measurements will enhance service delivery. The other factor influencing the need for the revision of the Strategic Plan is the realignment of work activities, also introduced to afford a better opportunity to strengthen service delivery.

In making these changes the QCTO remains committed to the bold plan initiated with the original strategic initiative. However, now the organisation has a new vision statement as its guiding light, that statement being **QUALIFY A SKILLED AND CAPABLE WORKFORCE**. As in the past, this vision statement translates into assisting in building a nation that has a skilled, productive and employable workforce. Furthermore, just as before the QCTO remains committed to working in partnership with others where we continue to forge a strategic alliance with Sector Education and Training Authorities (SETAs). As many of you know, the QCTO's basic operational methodology calls for the joint efforts of many and varied entities (Development Quality Partners, Assessment Quality Partners, Employers, Training Providers, Test Centres and Professional Bodies, to name a few). The QCTO is proud of this methodology and its focus on inclusivity. The QCTO remains ready to work with any organization or individuals who find value in **BUILDING A SKILLED AND CAPABLE WORKFORCE**.

Prof. Peliwe Lolwana
Chairperson of the QCTO

PROCESS FOLLOWED IN DEVELOPING THE STRATEGIC PLAN

The broad context in which this strategic planning process was undertaken is outlined in the Situational Analysis outlined later in this plan. However the specific steps taken were as follows: The National Treasury's Technical Assistance Unit (TAU) was approached for assistance with the planning process for 2012/13 to assist with the preparation of the QCTO's Strategic Plan. The Strategic Plan was approved by the Minister in March 2012. During 2012/13 the need arose to revise the Strategic Plan as there was a change in leadership. The new Chairperson appointed towards the end of 2011 and permanent Chief Executive Officer (CEO) assumed duty on 1 April 2012 brought about new thinking and direction for the QCTO. As the senior management team was not in place yet by the middle of 2012, Council agreed to delay the revision of the strategic plan until 2013. For the revision of the Strategic Plan and the development of the Annual Performance Plan for 2014/15 TAU was appointed again. The strategic planning process began with a workshop with the QCTO Council on 19 and 20 February 2013. The outcome of the QCTO Council workshop was the identification of issues that the revised Strategic Plan must address including Outcome Statements to serve as the framework for the strategic plan. A series of workshops were held in July and August 2013 with the management and staff of different QCTO programmes to revise and draft the Strategic and Annual Performance Plans. These were submitted to the Council on 27 August 2013 at which again minor changes were made and the Plans approved for further work. The draft Strategic and 2014/15 Annual Performance Plans were submitted to National Treasury and the Department of Higher Education and Training on 30 August 2013 as required. These final versions were updated based on comments from the DHET, further reflection by the Office in view of comments from the Executive Committee and others. These versions were tabled to Council on 27 November 2013, approved and recommended for submission to the Minister for final approval and tabling in Parliament.

Certification

It is hereby certified that this Revised Strategic Plan:

Was developed by the management of the Quality Council for Trades and Occupations (QCTO) under the guidance of Council

Takes into account all the relevant policies, legislation and other mandates for which the QCTO is responsible

Accurately reflects the strategic outcome oriented goals and objectives which the QCTO will endeavour to achieve over the period 2012/13 to 2016/17.

Prof. Peliwe Lolwana
Chairperson of the QCTO

Ms Joyce Mashabela
Accounting Officer (CEO)

Ms Ndivhudzannyi Madilonga
Chief Financial Officer

CONTENTS

PART A: STRATEGIC OVERVIEW

1. Vision

QCTO vision is to **qualify** a skilled and capable workforce

2. Mission

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

3. Values

Values
Innovation and Excellence
We rise to opportunities and challenges, we continuously learn, we are innovative and we consistently produce work of distinction and fine quality, on time, and in line with our clients' needs
Empowerment and Recognition
We enable people to make things happen, we encourage and support one another when and where needed, and we celebrate successful accomplishment of work
Respect and Dignity
We value and show consideration for all the people we work with, treat one another with kindness and thoughtfulness, and embrace inclusivity
Ethics and Integrity
We embrace and practice a moral code of trustworthiness, honesty and truthfulness in everything we say and do, and we honour our promises and commitments
Ownership and Accountability
We take ownership of our responsibilities and we answer for our decisions and actions
Authenticity
We protect the public by issuing authentic, quality qualifications

4. Legislative and other mandates

4.1 Constitutional mandate

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

> **22. Freedom of trade, occupation and profession**
>
> Every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law.
>
> **29. Education**
>
> 1. Everyone has the right
>
>> a. to a basic education, including adult basic education; and
>>
>> b. to further education, which the state, through reasonable measures, must make progressively available and accessible.

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

In developing and quality assuring occupational qualifications that augment the menu of qualifications in the various sub-frameworks of the National Qualifications Framework, it also contributes to Section 29(1)(b).

And in so far as its Foundational Learning programmes contribute to adult basic education, the QCTO also contributes to Section 29(1)(a).

4.2 Legislative mandate

4.2.1 National Qualifications Framework Act, No 67 of 2008

The NQF Act is the guiding act for the sub-frameworks with the Skills Development Act, GENFETQA Act and Higher Education Act providing the specific functions for each of the quality councils.

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

Section 4 – Framework

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

Section 7 – Sub-frameworks

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

(a) General and Further Education and Training, contemplated in the GENFETQA Act;

(b) Higher Education, contemplated in the Higher Education Act; and

(c) Trades and Occupations, contemplated in the Skills Development Act."

Section 27 – Quality Councils

"All three Quality Councils will have the same functions with regard to the development, implementation and quality assurance of their respective qualification sub-framework, qualifications and part qualifications, and the learning and assessment provision thereof, and must:

"(a) perform its (their) functions subject to this Act and the law by which the QC is established;

(b) comply with any policy determined by the Minister in terms of section 8(2)(b);

(c) consider the Minister's guidelines contemplated in section 8(2)(c);(k)(iii) perform any other function required by this Act; and

(k)(iv) perform any function consistent with this Act that the relevant Minister may determine."

More detailed prescriptions are contained in items (d-k) of section 27.

4.2.2 Skills Development Act (SDA), No 97 of 1998

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

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

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

Chapter 6c – Quality Council for Trades and Occupations
Section 26F – Policy on occupational standards and qualifications
Section 26G – Establishment of the QCTO
Section 26H – Functions of the QCTO
Section 26I – Delegation of functions
Section 26J – Regulations regarding occupational standards and qualifications

Section 5(1)(dA) – Functions of National Skills Authority
Section 6(2)(h) – Composition of National Skills Authority and term and vacation of office
Section 10(1)(e) and (jB) – Functions of SETA
Section 17(1)(c) – Learnership agreements
Section 22(2)(c)(vii) – Administration of Act by Department
Section 26(A)(2)(b) – National artisan moderation body
Section 26(D)(4) and (5) – Trade tests
Schedule 3 – Composition and Constitution of the QCTO
Schedule 3(1) – Composition of QCTO
Schedule 3 (2) – Constitution of QCTO

4.2.3 Higher Education Laws Amendment Act, No 26 of 2010

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

Amendment of section 26 of Act 97 of 1998, as inserted by section 11 of Act 37 of 2008:
5. Section 26G of the Skills Development Act, 1998, is hereby amended by the substitution of subsection (5) of the following subsection:

(5)(a) The Minister must appoint the chief executive officer of the QCTO on the recommendation of the members of the QCTO

(b) If the Minister does not agree with the recommendation of the members of the QCTO, they must make another recommendation for consideration by the Minister.

(c) The QCTO must appoint such number of employees to assist the QCTO in the performance of its functions as it may deem necessary.

(d) Despite paragraph (a), the QCTO is the employer of the executive officer and employees and must determine their remuneration, allowances, subsidies and other conditions of service.

(e) Staff identified in posts on the establishment of the Department who immediately before the commencement of the Higher Education Laws Amendment Act, 2010, performs functions relating to the administrative management of the QCTO may, subject to section 197 of the Labour Relations Act, 1995 (Act No. 66 of 1995), be appointed or transferred to the QCTO.

4.2.4 Public Finance Management Act, No 1 of 1999

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

4.2.5 Memorandum of Agreement (MOA) between the QCTO and Department of Higher Education and Training (DHET)

The QCTO and the DHET entered into a MOA on 13 July 2011 with the understanding that for the transition, the QCTO will use the DHET's infrastructure and systems to support it while becoming fully operational. This MOA has been extended until 31 March 2014. The QCTO appointed its permanent CEO and CFO during the 2012/13 financial year which will contribute to the QCTO becoming fully operational. A process to develop and approve the relevant internal policies and systems has been put in place in order to become an autonomous organisation. The QCTO has also obtained other premises which will be occupied from December 2013.

4.3 Policy mandates

In December 2012 the Minister of Higher Education and Training published Government Gazette 36003 on the determination of the three Sub-frameworks that make the National Qualifications Framework. The determination proposes that the focus of the Occupational Qualifications Sub-framework (OQSF) should be on levels 1 to 6 of the NQF. After consultation the Minister, on 30 August 2013, published Gazette 36 803 amending the determination of the sub-frameworks that comprise the NQF. In this Gazette the Minister maintained the need for the OQSF development, at present, to focus on NQF levels 1 to 6.

4.4 Relevant court rulings

There are currently no direct court rulings relevant to the QCTO.

4.5 Planned policy initiatives

There is a range of policy initiatives planned, including:
- The DHET White Paper is at advanced stages with various stakeholders having been consulted. The outcome of this process is expected to have far reaching effects for the QCTO.
- Draft Trade Test Regulations are nearing completion with the expectation of their presentation to the Minister before the end of the calendar year 2013.
- Outstanding regulations required for the delivery of mandated functions such as the accreditation of providers and assessment centres etc.
- The Skills Development Act is also under review.
- The QCTO has completed the draft of the Occupational Qualification Sub-Framework policy.

From an internal perspective the QCTO is working in earnest to develop policies that guide and give better direction to both the core business and support services. The accomplishment of this will result in the demise of the MoA in which the QCTO entered with the Department of Higher Education and Training so as to ensure the QCTO meets all requirements of a public entity. The QCTO's plan to manage these matters is embedded into the Strategic Plan contained herein.

5. Updated situational analysis

5.1 Context

The Quality Council for Trades and Occupations (QCTO) has been operational since 1 April 2010 through the publication of Government Gazette 33059. The QCTO is one of three quality councils (QCs) that have responsibility to collaborate and implement the National Qualifications Framework with the South African Qualifications Authority having broad oversight over their respective standard setting and quality assurance functions. The other two Quality Councils are the Council on Higher Education and the General and Further Education Quality Assurance Body, known as UMALUSI. The QCs also have their own specific legislation which in the case of the QCTO is the Skills Development Act No. 97 of 1998 (as amended). The QCTO is one of those public entities that was part of the shifting of the skills development function from the Department of Labour to the Department of Higher Education and Training when it was created in 2009 through Proclamation No. 44.

The DHET embraces the entire post-school education and training system – the precise size and shape of which was the subject of the Green Paper on Post-School Education and Training published for public comment by the Minister at the beginning of 2012. The DHET is now in the process of drafting the White Paper on Post- School Education and Training. Some of the proposals contained in the Green Paper if taken on board in the White Paper may fundamentally reconfigure the NQF landscape and could thus have implications for the QCTO.

The mandate of the QCTO, currently, that comes from both the SDA and the NQF Act is summarised as follows:

SDA

- To oversee the development and maintenance of the Occupational Qualifications Sub-framework on the National Qualifications Framework;
- To advise the Minister of Higher Education and Training on all matters of policy concerning occupational standards and qualifications;
- To establish and maintain occupational standards and qualifications;
- To quality assure occupational standards and qualifications and learning in and for the workplace;
- To design and develop occupational standards and qualifications and submit them to the SAQA for registration on the NQF; and
- To ensure the quality of occupational standards and qualifications and learning in and for the workplace.

NQF Act

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

In summary of the functions the QCTO are:

a. Management of the Occupational Qualifications Sub-framework;

b. Design, develop and improve occupational qualifications;

c. Quality Assurance of occupational qualifications;

d. Assessment and moderation of occupational qualifications; and

e. Certification of occupational qualifications.

The overall policy mandate of the QCTO has been further clarified through the publication of the Minister's Government Gazette 36003 on the determination of the three Sub-frameworks that make the National Qualifications Framework. The determination proposes that the focus of the Occupational Qualifications Sub-framework (OQSF) should be on levels 1 to 6 of the NQF, and it also has implications for the revision of nomenclature for QCTO qualifications. The Gazette further required that SAQA and the QCs should provide inputs to the proposed determinations.

Furthermore, a decision has been made that the QCTO should take on responsibility for the quality assurance (including the re-curriculation) of NATED N4 to N6 programmes offered by FET colleges, this being an added responsibility. The QCTO continues to manage the currently registered occupational qualifications quality assured by the SETAs and Professional Bodies. The Skills Development Act, 1998 states that providers offering qualifications or part–qualifications registered at Levels 1 – 10 on the OQSF are not required to be registered as a private FET College. Prior to September 2012 when Joint Communique 1 was issued, practice was not aligned with legislation. The alignment of legislation with practice resulted in the QCTO taking on the responsibility of accrediting private providers offering N4 to N6 programmes. This had a major impact on the QCTO as unprocessed registration application forms in the DHET system were sent to the QCTO with the request to evaluate the documentation and to respond to the applicants. Many queries are still being received in response to the change in operation.

The above further clarifications of the QCTO begin to indicate the extent of the work that the QCTO has to do. These further clarifications have also enabled the QCTO to compile an initial draft policy for the QCTO's Sub-framework, the OQSF, which will also be an input into the clarification of the determination as contained in Gazette 36003. As a means of enabling the QCTO to carry out its mandate, the publication of the new SETA Grant Regulations by the Minister of Higher Education and Training in December 2012 provides an income stream to the QCTO to fund its quality assurance function. However, BUSA's challenge to the Skills Grant Regulations could be a set-back for the QCTO's access to this income stream.

The QCTO operations have been supported by a Memorandum of Agreement (MOA) with the Department of Higher Education and Training enabling the organisation to have access to policies and systems thereby ensuring the QCTO's compliance as public entity with regards to having the appropriate set of controlling systems in place. The last two Auditor-General audits resulted in unqualified audit reports for the period from inception up to 31 March 2012 as well as the 2012/13 financial year.

5.1.1 Performance delivery environment

Political Environment

The current Government Administration is nearing the end of its term of office. Skills shortages remain one of the binding constraints to grow the South African economy. This is placing a prominent emphasis on the QCTO's role within the skills development sector. The adoption of the National Development Plan (NDP) by Cabinet will enable a more focused response to skills needs. The NDP integrates the various growth strategies such as the NGP, IPAP II and Strategic Integrated Projects (SIPs) thereby giving a platform for putting in place an integrated and coordinated response to the skills demands implied in these strategies from the various skills development entities such as the QCTO as well as the education and training institutions. The clarification of the QCTO mandate combined with the improved clarity that the adoption of the NDP brings with regard to skills demand, means the QCTO is in a better position to focus on planning and implementing responses to demand that are within its mandate as well as assist it to identify points of interface with relevant partners in order to implement its responses. The release of the White Paper for Post-school Education and Training is expected to address the debates that emerged in the Green Paper providing further clarity of purpose.

The incorporation of the skills development function as part of the DHET, under the leadership of the Minister, has imbued the skills development sector with new vigour. The Minister's political leadership has raised the profile of the dire need for skills within the SA economy, a factor that presents the QCTO with an opportunity to access the support it requires to do its work. The FET colleges have developed improvement plans which have been endorsed by the DHET and these plans are being rolled out. The QCTO will need to identify the implications of these plans to its mandate and work.

This being election year it is hoped that there will be very minimal policy change that would derail the QCTO's current medium to long term vision and mission. It is also hoped that the evaluation of the NSDS III currently underway will result in enhancing rather than derailing the on-going work of the QCTO.

Legislation and Government Regulations

There is growing stabilisation of the legislative and regulatory environment that is governed by the Minister and Department of Higher Education and Training. The promulgation of the SETA Grant Regulation in December 2012 has already been mentioned. The amendments of the FET Colleges Act of 2006 that bring about changes to the FET colleges functions and Adult Education and Training functions bringing them under the sole governance of the MHET add to the growing legislative stability of the MHET and his Department's sphere of governance with regard to education, training and skills development.

The amendment of Departmental regulations has a critical impact on the effective functioning of the QCTO. These regulatory changes affect areas that are key to the work of the QCTO including learnerships, skills programmes, and trades' testing and funding grants. The terminology used in different regulations is not standardised thus having the potential to cause confusion amongst QCTO stakeholders. In order to address these regulatory challenges, the QCTO has been consulted on a number of regulations developed by the Department and other key skills development role players such as the National Artisan Moderating Body (NAMB) and SETAs. The one set of regulations that is at an advanced stage and contributes to facilitating the provision of artisans needed in the economy is the Trade Test Regulations. These Regulations enable the implementation of a single artisan trade testing and certification system across all the economic sectors that are quality assured by the QCTO, thus eliminating inconsistencies across sectors for the same trades.

Economic Factors

The pressure on the national revenue fund, coupled with the widening budget deficit mean that the amount of funds that the National Treasury can allocate to budgets of State entities, including the QCTO, is limited. This naturally has a negative impact on the capacity of the QCTO to fund all the resources required to perform its work properly.

Government introduced key initiatives aimed at stimulating the economy. Key amongst these is the huge commitment towards infrastructure development that was announced by the President in the 2013 State of the Nation Address. These initiatives present an opportunity to stimulate both workplace learning and training. This could have a significant impact on the QCTO and its standing as one of the requirements to obtain an occupational qualification is the successful completion of workplace training.

The inordinate high level of unemployment experienced in the country has focused significant attention on skills deficient which in turn has put a spotlight on the need for appropriate qualifications. However, several researchers are quick to note that it is a fallacy to link the existence of appropriate qualifications to reduction in the unemployment rate. These researchers cite as their proof the current high rates of unemployment in developed countries whose educational systems are well organized and defined having mechanisms in place to keep education and training up to date with industrial needs. However, with this in mind the QCTO does need to remain cognizant of the outcomes of the various national projects that are working to develop models that will predict future employment needs. Should the models prove adequate, the QCTO can likely enhance its approach with respect to prioritising the development of qualifications.

The other area the QCTO needs to be vigilant about is governmental efforts with regards to spatial development, particularly actions related to the improvement of township and rural economies.

Social Factors

The delays in the start-up phase of the QCTO, coupled with inadequate marketing efforts may have an impact on the knowledge of the general public on the existence, mandate and functions of the organisation. It is for this reason that delivery of services to address the needs of the public requires prioritisation to avoid a negative image. For historical reasons, partly associated with its apartheid history where better paying jobs were reserved for a few, South African societies developed a negative perception towards occupational qualifications in favour of academic qualifications. Fewer learners in South Africa choose occupational training as compared to academic training. A strong marketing drive is needed to raise the social status of occupational qualifications to potential learners.

A further complication is that learners in South Africa tend to find it difficult to understand the training system because of its complexity. Concepts such as the recognition of prior learning, learnerships, short courses and others are not well understood. This is exacerbated by the limited amount of career guidance that is available. These are all barriers to access that the QCTO needs to address. In part the proposals that SAQA and the QCs submit with respect to Gazette 36003 should contribute to the simplification of the system.

Another factor that complicates the work of the QCTO is the high levels of poverty due to unemployment. Poor people often do not have access to adequate information, including information about training opportunities, and have a limited ability to pay fees. In addition, the majority of the target population is located away from major population centres. All these factors need to be responded to through the QCTO's strategy. One way in which the QCTO will respond to the foregoing factors is by developing and implementing a marketing strategy.

Technological Factors

There is currently no integrated management information system (MIS) for trades and occupational qualifications in South Africa. Existing databases are not well aligned, making it difficult to gain a holistic picture of the sector. N courses have also failed to keep pace with advances in technology. The machinery used to train learners on N courses is in many cases out of date and does not mirror the state of the art equipment used by industry. This results in a lack of fit between graduates and the needs of the labour market. The QCTO needs to create a MIS that will enable it to deliver on its mandate whilst at the same time aligning it with what already exists. The achievement of alignment between N courses and advances in technology will be prioritised by the QCTO as a way of improving existing qualifications.

As a way of extending the reach of its services and of promoting occupational and trades qualifications especially amongst the youth, the QCTO will explore the use of radio and various forms of new media.

Ecological Factors

The global trend towards sustainable development and the prioritisation of the growth of the green economy has opened up new career opportunities, which the QCTO should support through the development of new qualifications. Relationships will be sought with organisations that are already implementing green economy initiatives globally. These organisations include the GiZ, the European Union and the Department of Environmental Affairs. Discussions focusing on how best to respond to the demands of the green economy will also be initiated with Umalusi, SAQA, and CHE and within the DHET.

5.1.2 Organisational environment

Strategy

The mandate of the QCTO is well understood by staff but there is a need to strengthen levels of alignment between this mandate and what the organisation does. The QCTO has been working with staff to embed better strategic planning processes along with risk management, the latter strengthened by the planned appointment of the QCTO's own internal auditor. The QCTO has been going through an establishment phase for the past three years and should now strategise and plan for service delivery in line with its mandate. Corporate systems, core business systems and improved recruitment of staff means that the QCTO is poised for graduating from establishment to delivery.

Current levels of delivery do not match expectations and there is room for improvement in different areas of strategy implementation. These include networking, advocacy, communication and stakeholder consultation. The organisation currently lacks militancy in its approach to championing trades and occupational qualifications. There is a need for the QCTO to be more assertive in its approach and to claim its rightful place.

Structure, staff and skills

The QCTO finalised an organisational structure in 2011/12. The Chief Executive Officer of the QCTO assumed duty on 1 April 2012. For 50% of the year, the QCTO functioned with no senior staff. During the second half of the year, the following senior management members were appointed:

- Chief Director: Occupational Qualifications Management
- Chief Director: Corporate Services and Chief Financial Officer
- Director: Governance, Strategy, Secretariat Support and Appeals
- Acting Director: Occupational Qualifications Development
- Acting Director: Occupational Qualifications Assessment.

In addition staff transfers were finalised. These changes contributed substantially towards building a stable environment for the QCTO. By and large staff recruitment has improved. However, the clarity being created with regard to the QCTO mandate does indicate that there may be a need to review the current organisational structure.

In terms of governance, there is a Council that possesses the necessary experience and expertise, and that functions on the basis of a number of committees, including the Executive Committee, Finance Committee, the Audit and Risk Committee, the Qualifications Committee and the Assessment and Accreditation Committee. The existence of a functioning Council ensures that the organisation is well governed and that mission critical decisions for its success are made.

The strong support from the DHET contributes to the ability of the organisation to function. This notwithstanding, there is an urgent need for dedicated office space with adequate meeting rooms and parking facilities. There is also pressure to appoint more staff to fill the vacant posts on the organogram. Good progress has been made since September 2012 with the appointment of the Chief Director: Qualifications Management, Chief Director: Corporate Services, Director: Governance, Strategy and Secretariat Services, Director: IT along with the Director: Finance and Procurement. Still there is a heavy workload on staff which may have a negative impact on levels of motivation. There is also a need to deal with diversity issues and to ensure that there is tolerance and accommodation amongst staff. The absence of a funding model, and the limited Medium Term Expenditure Framework (MTEF) allocations, including the required cut in the budget over the next three years, serve to exacerbate some of these staff related problems.

Systems

Some good progress has been made in relation to the development of systems to support the work of the organisation. A draft accrual accounting system for the QCTO has also been developed for the

first time since its establishment. This is an indication of the gradual maturation of organisational systems. A key achievement is the development of a range of financial policies and the establishment of committees as required by the PFMA. A qualifications development policy has also been finalised. The opening of a QCTO bank account has significantly facilitated the organisation's ability to manage financial transactions. Core business systems are well underway and some are being implemented.

There is a need to conduct a thorough analysis of systems in order to identify all systems requirements based on the mandate. Amongst other limitations is that current systems are weak at addressing assessment issues. In developing new systems, the organisation will need to effectively manage the current reality of the existence of other systems with which QCTO systems will need to interface. This situation may place design limitation and constraints on new QCTO systems. There are also a range of important organisational policies, systems and definitions that are not yet in place, or require further development. These include policies and systems for monitoring and evaluation. There is also a need to develop a clearer definition of Not Employed or in Education or Training (NEETs) to prevent a significant scope creep for the organisation.

Style

The QCTO has a mixture of leadership styles that combine a healthy balance between bottom-up and top-down leadership. The Council and the CEO together possess good qualities of leadership that ensure that the organisation is well led. The top management team is focused, has direction and is well motivated. This is complemented by middle management that is equally highly motivated, is clear about the direction that the organisation has chosen, and works adequately well as a team. The organisation also invests in staff development.

The QCTO operations team under the leadership of the CEO has built a solid team work ethic. Furthermore, through its internship programme, the QCTO is building and practically implementing the QCTO work space as a workplace training space. Greater attention is being given to communication with stakeholders, in part evidenced by the fact that the web-site is soon to go live.

With staff establishment stabilising, performance planning and management aligned to strategy will take centre stage facilitated through rigorous operational planning at unit level. Performance planning and management will assist the organisation focus and invest in staff development to enable all level of the staff establishment reach the desired capability to deliver on the QCTO's strategy.

5.2 Budget constraints

The QCTO has been allocated R35, 527, 000 (including approved accumulated roll overs and R939, 000 for the NSF project) for 2013/14, R23, 167, 000 million for 2014/15 and R24, 347, 000 million for 2015/16. This stands in sharp contrast to the budget it requested of R27.3 million; R39.4 million; R44.1 million for the respective years. A bid was submitted in 2010/11 for the 2011 MTEF but was not approved. Another bid for additional funds were requested for 2012/13. This request too was rejected.

Beginning 2013/14 the SETA Grant Regulations enabled the QCTO to have access to funds that can, as per the Regulations, be used for quality assurance functions. For the year 2013/2014 the QCTO received and amount of R15, 428, 000 and for 2014/15 an amount of R28, 500, 000 has been allocated to the QCTO. Projections for the outer MTEF periods for 2015/16 and 2016/17 are R45, 000, 000 and R60, 000, 000 respectively. However as these funds are allocated annually, based on a submission made to the DHET, the amount received (if any) can vary considerably. The uncertainty this creates could have negative consequences for the QCTO.

6. Strategic outcome orientated goals of the Quality Council for Trades and Occupations

Strategic outcomes oriented Goal 1	Competent people in priority trades and occupations.
Goal Statement	Competent people in priority trades and occupations for employment opportunities that are available in the labour market.
Indicator	Number of certificates issued in priority occupational qualifications (trades and non-trades) after recommendation by Assessment Quality Partner

Strategic outcomes oriented Goal 2	Create a sustainable organisation
Goal Statement	Lay the foundation for creating a sustainable organisation
Indicator	Management systems developed, implemented and maintained by March 2017

PART B: STRATEGIC OBJECTIVES

7. Programme 1: Occupational Qualifications

Programme Purpose: To ensure availability of relevant qualifications on the occupational qualifications sub-framework to promote the NQF objectives

7.1 Strategic objective for Programme 1

Strategic objective 1.1	Occupational Qualifications Management
Objective statement	Prioritised Occupational Qualifications recommended to SAQA for registration on the Occupational Qualification Sub-framework
Baseline	One occupational qualification recommended

7.2 Resource Consideration for Programme 1

- At present the following staff complement perform work for Programme 1:
  - 1 Chief Director
  - 1 Director
  - 3 Deputy Directors and 1 vacant
  - 2 Contract employees (12 months contracts)

- It is envisaged that the approved QCTO Organisational structure will allow for the following posts to be advertised and filled:
  - 1 Departmental Secretary (*Advertised*)

7.3 Risk management for Programme 1

Strategic Objective	Risk description	Current controls	Action Plan
Prioritised Occupational Qualifications recommended to SAQA for registration on the Occupational Qualification Sub-framework	Serious adverse comments received during the public comments phase impacting on the design of the qualification(s)	A verification mechanism built into the development stage that interacts with known stakeholders	Expand the verification process to be more inclusive

8. Programme 2: Quality Assurance

Programme Purpose: To ensure currency and quality assurance of relevant qualifications and certificates on the occupational qualifications sub-framework to promote the NQF objectives

8.1 Strategic objective for Programme 2

Strategic objective 2.1	Quality assurance of provision
Objective statement	Implementation of registered occupational qualifications quality assured
Baseline	36 Providers accredited for FLC and 0 Assessment Centres

Strategic objective 2.2	Certification of competent learners
Objective statement	Competent learners externally assessed are certificated
Baseline	0

8.2 Resource Consideration for Programme 2

- At present the following staff complement perform work for Programme 2:
  - 1 Director
  - 2 Deputy Directors and 1 vacant
  - 1 Assistant Director and 1 vacant
  - 1 Senior Practitioner
  - 2 Contract employees (12 months contracts)

- It is envisaged that the approved QCTO Organisational structure will allow for the following posts to be advertised and filled:
  - 1 Chief Director: Quality Assurance (*to be advertised*);
  - 1 Director: Certification (*newly created approved post which is currently being graded through EQUATE*). This position will be advertised soon after completion of the grading process.
  - 21 Monitors (in process of being appointed)

8.3 Risk management for Programme 2

Strategic Objective	Risk description	Current controls	Action Plan
Implementation of registered occupational qualifications quality assured	Non-compliance of the providers and assessment centres	Policies and procedures in place	Establish monitoring and evaluation unit
	QCTO Management Information System not up and running	IT unit established	Develop specifications for the Management Information System
Competent learners externally assessed are certificated	QCTO Management Information System not up and running	IT unit established	Engage the IT unit in terms of the development of QCTO Management Information System
	Certification system not fully developed	Policies and procedures in place	Researcher to be engaged

9. Programme 3: Administration

Programme Purpose: To enable QCTO performance through strategic leadership and reliable delivery of management support services

9.1 Strategic objective for Programme 3

Strategic objective 3.1	Management Support Services
Objective statement	Institutional capability in place to enable QCTO to deliver its products and services
Baseline	12 Financial Policies, 0 systems, and 47% (16) of set target (34) in terms of human capital

9.2 Resource Consideration for Programme 3

- At present Programme 3: Administration has the following staff to perform the work:
  - 1 CEO
  - 1 Personal Assistant to the CEO
  - 1 Chief Director: Corporate Services and CFO
  - 3 Directors
  - 1 Deputy Director
  - 2 Assistant Directors

- It is envisaged that the approved QCTO Organisational structure will allow for the following posts to be advertised and filled:
  - 1 Departmental Secretary (*Advertised*)
  - 1 Practitioner: Governance, Strategy, Secretariat Services and Appeals (*Advertised*)
  - 1 Practitioner: Finance (*Advertised and filled*)
  - 1 Assistant Director: Governance, Strategy, Secretariat Services and Appeals (*Advertised*)
  - 1 Assistant Director: Procurement (*Advertised*)
  - 1 Assistant Director: IT (*Advertised*)
  - 1 Assistant Director: Administration (*Advertised*)
  - 1 Practitioner: Procurement (*Advertised*)
  - 1 Senior Practitioner: HR and Admin (*to be advertised*)
  - 1 Driver/Messenger (*Advertised*)
  - 1 Cleaner/Housekeeper (*Advertised*)
  - 1 Receptionist/Switchboard Operator (*Advertised*)

9.3 Risk management for Programme 3

Strategic Objective	Risk description	Current controls	Action Plan
Institutional capability built to enable QCTO to deliver its products and services	Inadequate support systems and human capital	MOA with the DHET in place as interim measure Executive and Senior Management in place	Establish QCTO's own support systems in order to completely wean from DHET and function independently

10. Technical Indicator Descriptions for Strategic Outcome Orientated Goals

Indicator for Goal 1:

Competent people in priority trades and occupations for employment opportunities that are available in the labour market

Indicator title	Certification in priority trades and occupational qualifications
Short definition	Number of certificates issued in priority occupational qualifications (trades and non-trades) after recommendation by Assessment Quality Partner
Purpose/importance	To measure the number of people who've been found competent in priority trades and occupations
Source/collection of data	QCTO certification system
Method of calculation	Number of certificates issued
Data limitations	Different sources for collecting learner achievement
Type of indicator	Outcome
Calculation type	Cumulative over 5 years
Reporting cycle	Annual
New indicator	Yes
Desired performance	Higher
Indicator responsibility	CEO

Indicator for Goal 2:

Lay the foundation for creating a sustainable organisation

Indicator title	2.1 Management systems developed, implemented and maintained by March 2017
Short definition	Management support systems which encompass internal policies, strategies, processes and standards for: Finance (18 policies), Human Resources (20 policies) ICT system which encompass the development and implementation of a Master Systems Plan and an ICT Policy
Purpose/importance	Achieving institutional sustainability
Source/collection of data	Policy documents , plans and strategy
Method of calculation	Counting policies, plans , systems and strategies
Data limitations	Delays in approval process and capacity
Type of indicator	Outcome
Calculation type	Cumulative over four years
Reporting cycle	Annual
New indicator	Yes
Desired performance	High
Indicator responsibility	CEO

11. Materiality and Significance Framework

The Minister approved the QCTO's Materiality and Significance Framework on 4 June 2013.

ACCRONYMS AND ABBREVIATIONS

AG	Auditor-General
AQP	Assessment Quality Partner
BUSA	Business Untiy South Africa
CEO	Chief Executive Officer
CD	Chief Director
CFO	Chief Financial Officer
CHE	Council on Higher Education
DG	Director General
DHET	Department of Higher Education and Training
DoL	Department of Labour
DPSA	Department of Public Services and Administration
DQP	Development Quality Partner
ETQA	Education and Training Quality Assurance body
EAP	Employee Assistance Program
FET	Further Education and Training
FLC	Foundational Learning Competence
GENFETQA	General and Further Education and Training Quality Assurance Act (No. 58 of 2001)
GFETQF	General and Further Education and Training Qualifications Framework
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Co-operation)
IPAP	Industrial Policy Action Plan
IT	Information Technology
ITC	Information Technology and Communication
HELA Act	Higher Education Laws Amendments Act (No. 26 of 2010)
HEQC	Higher Education Quality Committee
HEQF	Higher Education Qualifications Framework
HR	Human Resources
INDLELA	Institute for the Development of Learnerships, Employment Skills and Labour Assessments
MHET	Minister of Higher Education and Training
MOA	Memorandum of Agreement
MoL	Minister of Labour
NAMB	National Artisan Moderating Body
NATED	National Education Report 191 (part 2) N4 to N6
NCPF	National Career Path Framework
NCV	National Certificate Vocational
NLRD	National Learner Records Database
NOPF	National Occupational Pathways Framework
NQF Act	National Qualifications Framework Act (No. 67 of 2008)
NSA	National Skills Authority
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations
OQSF	Qualifications Sub-Framework for Trades and Occupations
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
QA	Quality Assurance
QC	Quality Council
QCTO	Quality Council for Trades and Occupations
QDF	Qualification Development Facilitator
RPL	Recognition of Prior Learning
SA	South Afrcia
SAQA	South African Qualifications Authority
SCM	Supply Chain Management
SDA	Skills Development Act (No 97 of 1998)

SETA   Sector Education and Training Authority
SLA   Service Level Agreement
TAU   Technical Assistance Unit
Umalusi   Council for Quality Assurance in General and Further Education and Training

NOTES

NOTES