

# COUNCIL ON HIGHER EDUCATION

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## **ANNUAL REPORT** *2004 - 2005*



## FOREWORD

The Council on Higher Education (CHE) is an independent statutory body established by the *Higher Education Act* of 1997. Its core mandate is

- **Advising** the Minister at his/her request or proactively on all higher education policy (HE) issues
- Assuming **executive responsibility for quality assurance** within HE
- **Monitoring and evaluating** whether HE policy goals are being realised, including **reporting** regularly on the state of South African HE
- Contributing to developing HE through various activities.

This **seventh** Annual Report, which the CHE is required to submit, through the Minister of Education, to parliament, details the work and progress of the CHE in the execution of its core mandate during the financial year, April 2004 to March 2005.

The CHE Council, which I chair, is extremely pleased with the overall progress and performance of the CHE, including its quality assurance arm, the Higher Education Quality Committee (HEQC), both since its inception in 1998 and over the past year.

Significant achievements and milestones of the past year include

- The provision of policy advice to the Minister of Education on *Aspects of Distance Education Provision in South African Higher Education*, and the publication of a Research Report, entitled *Enhancing the Contribution of Distance Higher Education in South Africa*
- Participation in meetings of the President's Higher Education Working Group
- The publication of an extensive report, *South African Higher Education in the First Decade of Democracy*, which analysed the inheritance in 1994, key developments in the past ten years, the current situation, and critical issues and key challenges that lie ahead
- The release for public comment of a discussion document, *Towards a Framework for the Monitoring and Evaluation of South African Higher Education*, that proposed the purposes, goals, scope and framework for HE monitoring and evaluation
- The publication, as part of the CHE's HE Monitor series, of *The State of the Provision of the MBA in South Africa*, which drew on the national review and re-accreditation of all MBAs by the HEQC
- The shift from quality assurance systems development to implementation, with the finalisation and release of a new framework and criteria for programme accreditation, and the inauguration of an online accreditation process; the publication of the framework and criteria for institutional audits during the 2004–2009 period; and the audit of the first public HE institution
- The publication of resources for supporting the improvement of teaching and learning, and the convening of numerous quality promotion and capacity development workshops.
- The convening of a national colloquium on *Ten Years of Democracy and Higher Education Change*, which was attended by 120 local and international representatives of HEIs and organisations

- Another unqualified financial audit of the CHE by the Auditor General, which continues the tradition of unqualified audits since the inception of the CHE
- The announcement by the National Treasury that the CHE would as from the next financial year be fully funded for its core activities, representing after a long struggle the institutionalisation of the funding of the CHE.

The CHE is blessed with a highly professional, energetic and dedicated Secretariat, supported by wise guidance and effective supervision on the part of the CHE Council and HEQC Board.

I thank the Secretariat, the members of the CHE Council and HEQC Board, and numerous other collaborators and supporters for their contribution to the work of the CHE and the HEQC.

I am confident that the CHE will continue to discharge its mandate and its mission of contributing to the development of a higher education system that is characterised by quality and excellence, equity, responsiveness to economic and social development needs, and effective and efficient provision, governance and management with imagination, dedication and professionalism.



**Mr Saki Macozoma**

*CHE Chairperson*

Pretoria, August 2005

# CONTENTS

FOREWORD	2
CONTENTS	4
ACRONYMS & ABBREVIATIONS	6
<b>CHAPTER 1 OVERVIEW OF THE CHE</b>	<b>8</b>
1. Introduction	8
2. Membership	8
3. Responsibilities of the CHE	10
4. The Character and Role of the CHE	11
<b>CHAPTER 2 FULFILLING THE MANDATE OF THE CHE</b>	<b>14</b>
1. Progress towards the Mandate	14
2. Interaction with the Minister/Ministry of Education	26
3. CHE Standing Committees, Task Teams and Projects	26
<b>CHAPTER 3 QUALITY ASSURANCE AND THE HEQC</b>	<b>36</b>
1. Introduction	36
2. HEQC Board and Membership	36
3. Organisation	37
4. Office of the Executive Director	38
5. Programme Accreditation and Coordination Directorate	41
6. Coordination	50
7. Institutional Audits Directorate	52
8. Quality Promotion and Capacity Development Directorate	54
9. Development of a Management Information System for the HEQC	59

<b>CHAPTER 4 OTHER ACTIVITIES OF THE CHE</b>	<b>60</b>
1. Conferences	60
2. CHE Discussion Forums	60
3. CHE Workshops and Seminars	60
4. CHE Publications	61
5. Additional Activities	62
<b>CHAPTER 5 CHE: ORGANISATION AND STRUCTURE</b>	<b>65</b>
1. Organisation	65
2. Secretariat/Personnel	67
3. Finances	72
4. Risk Assessment and Management	74
5. The Programme (Goals, Strategy & Plan) of the CHE, 2004–2007	75
6. Future Challenges	76
CHE MEDIA	78
AUDIT REPORT	84
FINANCIAL STATEMENTS	88

## ACRONYMS & ABBREVIATIONS

<b>AAU</b>	Association of African Universities
<b>ACE</b>	Advanced Certificate in Education
<b>APPETD</b>	Association of Private Providers of Education, Training and Development
<b>AQAA</b>	Australian Quality Assurance Agency
<b>AUQA</b>	Australian Universities Quality Agency
<b>AUSAID</b>	Australian Agency for International Development
<b>BEd</b>	Bachelor of Education
<b>CENESA</b>	Cooperation in Education between the Netherlands and South Africa
<b>CEO</b>	Chief Executive Officer
<b>CEPD</b>	Centre for Education Policy Development
<b>CHE</b>	Council on Higher Education
<b>CHED</b>	Centre for Higher Education Development
<b>CHELSA</b>	Committee of Higher Education Librarians in South Africa
<b>CHET</b>	Centre for Higher Education Transformation
<b>CODESRIA</b>	Council for the Development of Social Science Research in Africa
<b>COHORT</b>	Committee of Heads of Research and Technology
<b>CREST</b>	Centre for Research on Science and Technology
<b>CSHE</b>	Centre for the Study of Higher Education
<b>CTP</b>	Committee of Technikon Principals
<b>DAAD</b>	Deutscher Akademischer Austausch Dienst (German Academic Exchange Service)
<b>DfID</b>	Department for International Development
<b>DoE</b>	Department of Education
<b>ED</b>	Executive Director
<b>ELM</b>	Educational Leadership and Management
<b>ELRC</b>	Education Labour Relations Council
<b>EMBA</b>	Executive Master of Business Administration
<b>ETDP SETA</b>	Education, Training and Development Practices Sector Education and Training Authority
<b>ETQA</b>	Education and Training Quality Assurer
<b>FOTIM</b>	Foundation of Tertiary Institutions of the Northern Metropolis
<b>GATS</b>	General Agreement on Trade in Services
<b>HAI</b>	Historically Advantaged Institution
<b>HDI</b>	Historically Disadvantaged Institution
<b>HEI</b>	Higher Education Institution
<b>HEMIS</b>	Higher Education Management Information System
<b>HEQC</b>	Higher Education Quality Committee
<b>HRD</b>	Human Resource Development
<b>HSRC</b>	Human Sciences Research Council
<b>ICT</b>	Information and Communication Technology
<b>IJC</b>	Interim Joint Committee
<b>INQAAHE</b>	International Network for Quality Assurance Agencies in Higher Education
<b>IT</b>	Information Technology
<b>JET</b>	Joint Education Trust

<b>MBA</b>	Master of Business Administration
<b>MBL</b>	Master of Business Leadership
<b>MEd</b>	Master of Education
<b>MIS</b>	Management Information System
<b>MoE</b>	Ministry of Education
<b>MoU</b>	Memorandum of Understanding
<b>NAAC</b>	National Accreditation and Assessment Council (India)
<b>NACI</b>	National Advisory Council on Innovation
<b>NADEOSA</b>	National Association of Distance Education Organisations of South Africa
<b>NAP</b>	New Academic Policy
<b>NASDEV</b>	National Association of Student Development Officers
<b>NGO</b>	Non-Governmental Organisation
<b>NLRD</b>	National Learners' Records Database
<b>NQF</b>	National Qualifications Framework
<b>NRF</b>	National Research Foundation
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>PGCE</b>	Postgraduate Certificate in Education
<b>POSLEC SETA</b>	Police, Private Security, Legal and Correctional Services SETA
<b>QA</b>	Quality Assurance
<b>QPCD</b>	Quality Promotion and Capacity Development
<b>QPU</b>	Quality Promotion Unit (of the Committee of University Principals)
<b>RPL</b>	Recognition of Prior Learning
<b>SAASTA</b>	South African Agency for Science and Technology Advancement
<b>SABC</b>	South African Broadcasting Corporation
<b>SACE</b>	South African Council for Educators
<b>SADC</b>	Southern African Development Community
<b>SAIDE</b>	South African Institute of Distance Education
<b>SANPAD</b>	South African Netherlands Research Programme on Alternatives in Development
<b>SAQA</b>	South African Qualifications Authority
<b>SASCO</b>	South African Student Congress
<b>SATSU</b>	South African Technikons Student Union
<b>SAUSRC</b>	South African University Student Representative Councils
<b>SAUVCA</b>	South African Universities Vice-Chancellors Association
<b>SERTEC</b>	Certification Council for Technikon Education
<b>SETA</b>	Sector Education and Training Authorities
<b>UKQAA</b>	United Kingdom Quality Assurance Agency
<b>UMALUSI</b>	Council for Quality Assurance in General and Further Education and Training
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UNISA</b>	University of South Africa
<b>White Paper</b>	<i>Education White Paper 3 of 1997, A Programme for the Transformation of Higher Education</i>
<b>WTO</b>	World Trade Organisation

# 1 CHAPTER

## OVERVIEW OF THE CHE

### 1 INTRODUCTION

The Council on Higher Education (CHE) exists as an independent statutory body in terms of the *Higher Education Act*, No. 101 of 1997. It operates in accordance with the prevailing legislative and regulatory frameworks of the Republic of South Africa and with due cognisance of its obligations and responsibilities in terms of such laws and regulations.

The *Higher Education Act* and *Education White Paper 3* of 1997, *A Programme for the Transformation of Higher Education*, set out the mandate and responsibilities of the CHE.

The **vision** of the CHE is a transformed, equitable, high quality, economically and socially responsive, productive and sustainable higher education system in a transformed, equitable, just, humane and democratic South Africa based on the principles and values of non-racialism, non-sexism, freedom of expression and other basic human and social rights.

The CHE defines its **mission** as contributing to the development of a higher education system characterised by quality and excellence, equity, responsiveness to economic and social development needs, and effective and efficient provision, governance and management. It seeks to make this contribution

- By providing informed, considered, independent and strategic advice on higher education (HE) policy issues to the Minister of Education
- Through the quality assurance activities of its sub-committee, the Higher Education Quality Committee (HEQC)
- Through publications and through broader dissemination of information, and through conferences and workshops on HE and other focused activities.

### 2 MEMBERSHIP

The *Higher Education Act* makes provision for a chairperson, 13 ordinary members, co-opted members (maximum three) and six non-voting members. The Minister of Education appoints the members of the CHE following a public call for nominations from HE stakeholders and the general public. Members are appointed for a four-year period and the chairperson for five years.

The Ministry of Education issued a public call for nominations to the CHE in early 2002. In June 2002, the CHE was reconstituted with the following membership during 2004–2005.

#### Chairperson

Mr S Macozoma\*

#### Ordinary members

Prof. HP Africa

Prof. SF Coetzee\*

Prof. B Figaji\*

Ms JA Glennie

Dr MC Koorts

Mr J Mamabolo

Ms T January-McLean\* (Resigned)

Mr V Nhlapo

Prof. AM Perez

Prof. MF Ramashala

Prof. SJ Saunders

#### Co-opted members

None

#### Non-voting members

Ms N Badsha\* (Department of Education)

Ms A Canca (Department of Arts and Culture)

Mr SBA Isaacs (South African Qualifications Authority)

Dr A Kaniki (National Research Foundation)

Vacant (Representative of the Department of Labour)

Vacant (Representative of the Provincial Heads of the Committee of Education)



### Ex-officio

Prof. S Badat \*

(\* Members serving on the Executive Committee of the CHE)

The members of the CHE are appointed in their own right as people with specialist knowledge and expertise on HE matters. In this regard, and despite the members of the CHE being drawn from various constituencies, the CHE functions as an independent, expert, statutory body rather than a body of delegates or representatives of organisations, institutions or constituencies. The term of office of the ordinary CHE members is until June 2006, and that of the Chairperson until June 2007.



### CHE COUNCIL

**Back** (from left to right):

Prof. S Badat, Prof. SJ Saunders, Mr J Mamabolo, Dr A Kaniki, Ms A Canca and Ms JA Glennie

**Front** (from left to right):

Ms N Badsha, Prof. MF Ramashala, Mr S Macozoma and Prof. AM Perez



Prof. HP Africa



Prof. B Figaji



Ms T January-Mclean



Prof. SF Coetzee



Dr M Koorts



Mr V Nhlapo



Mr SBA Isaacs

## 3 RESPONSIBILITIES OF THE CHE

The *Higher Education Act* and the *Education White Paper 3* of 1997 set out the responsibilities of the CHE. These include

- Advising the Minister on all HE issues on which the CHE's advice is sought
- Advising the Minister on its own initiative on HE issues which the CHE regards as important
- Designing and implementing a system for quality assurance in HE and establishing the HEQC
- Advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration
- Advising the Minister in particular on the new funding arrangements for HE
- Advising the Minister in particular on the language policy in HE
- Developing a means for monitoring and evaluating whether, how, to what extent and with what consequences the vision, policy goals and objectives for HE defined in the *White Paper* on HE are being realised
- Promoting the access of students to HE
- Providing advice to the Minister on the proposed new Education Management Information System for HE
- Formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the *White Paper*
- Formulating advice for the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating South Africa's economy, such as greater HE–industry partnerships
- Appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HEIs
- Establishing healthy interactions with HE stakeholders on the CHE's work
- Producing regular reports on the state of South African HE
- Convening an annual consultative conference of HE stakeholders
- Participating in the development of a coherent human resource development framework for South Africa in concert with other organisations
- Contributing to the development of HE through publications and conferences.

The numerous and varied responsibilities require the CHE to engage in many different forms and kinds of activities. The CHE is required to be both reactive and proactive in rendering advice to the Minister. It is also required to provide advice on both a formal and informal basis. On occasions it has needed to provide advice at short notice and with considerable speed, while at other times it has been relatively cushioned from immediate time pressures.

In summary, the work of the CHE involves

- **Advising** the Minister at his/her request or proactively on all policy matters related to higher education
- Assuming **executive responsibility for quality assurance** within higher education and training – including programme accreditation, institutional audits, programme evaluation and quality promotion and capacity building
- **Monitoring and evaluating** whether, how, to what extent and with what consequences the vision, policy goals and objectives for higher education are being realised, including **reporting** on the state of South African higher education
- **Contributing to developing higher education** – giving leadership around key national and systemic issues, producing publications and holding conferences and conducting research to sensitise government and stakeholders to immediate and long-term challenges of higher education
- **Consulting with stakeholders** around higher education.

#### 4 THE CHARACTER AND ROLE OF THE CHE

The CHE is a product of the intense debates around relations between state and civil society – debates that have resulted in a number of independent statutory bodies that are composed in a similar way to the CHE and have mandates similar to the CHE's. There was a historical consensus that there was virtue in having a body such as the CHE composed of persons with special knowledge and experience of higher education and higher education-related matters who are nominated by a public process, rather than a body of delegates or representatives of stakeholders.

The activities of the past six years have been significant in unfolding the institutional character, identity and role of the CHE. It is generally agreed that the CHE has four policy-related roles – policy *advice*, policy *monitoring*, policy *development* and policy *implementation*. However, the four functions will vary depending on the responsibility and issue involved.

##### 1. Policy advice

This is the principal role of the CHE since its mandate is to advise the Minister of Education on policy matters both on request and proactively.

##### 2. Policy monitoring

This is an important role of the CHE accorded to it by the *White Paper* and also implicit in the requirement of the *Act*, as amended, for the CHE to produce regular reports on the state of South African higher education. There is systemic value for an independent statutory body, working in partnership with various stakeholders and organisations, to undertake the monitoring and evaluation of progress towards achieving policy goals.

##### 3. Policy development

This is undertaken in relation to and essentially limited to the domain of quality assurance. The CHE has taken on work of a policy development nature outside of quality assurance – for example, on Academic Policy – only on the request of the Ministry of Education when it has been mutually agreed that it would be more appropriate for an independent body to conduct such work. However, the CHE has sought to ensure that engaging in work of a policy development nature does not compromise its responsibility to ultimately advise on eventual policy.

##### 4. Policy implementation

This role pertains exclusively to the quality assurance (programme accreditation, re-accreditation and review, institutional audits and quality promotion and capacity development) function of the CHE.

The CHE seeks to work closely and cooperatively with stakeholders (including the Department of Education), to hear their views on a number of issues and respond to their concerns and interests. Representatives of, and participants from, national stakeholder organisations and individual HEIs contribute tremendously to the work of some committees and activities of the CHE. At the same time, the CHE tries to accommodate all invitations and requests from stakeholders and individual institutions related to participation in meetings, conferences, workshops, seminars and other activities.

Some of the views of the CHE and its advice to the Minister of Education find favour with a large number of stakeholders and institutions but leave a few dissatisfied. Other views and advice correspond with the views of some stakeholders and institutions but not with those of others. In some cases advice receives endorsement from only a few stakeholders.

Overall, the CHE does not hesitate to provide advice and recommendations to the Minister that is at odds with the views of individual stakeholders or sectors of higher education but which the CHE believes to be in the best interests of the system at large. This, of course, does not endear the CHE to stakeholders all of the time. Such a situation is to be expected and must be seen as an outcome of its legislative mandate. Indeed, it is almost guaranteed by the nature of the CHE.

The understanding of itself that the CHE publicly promotes through its practice is that it is not a transmission belt for the views of stakeholders. Stakeholders must and do communicate directly with the Minister. The CHE is also not a buffer body, as it is sometimes described, in the sense of mediating between institutions and government, though if such a role is required nothing in principle precludes this. Instead, the understanding of itself that the CHE promotes is that it has been purposively and deliberately established to provide to the Minister, without fear and with courage, informed, considered and independent advice which is in the national interest.

That is, while the CHE must take and does take the views of stakeholders seriously, it is required to do considerably more than simply collate and aggregate these views in advising the Minister of Education. It is also required to interrogate and mediate these views, and offer its own independent advice to the Minister.

Thus, as an alternative to both the transmission belt and the buffer modes of operation, the CHE tries to contribute to a central steering model by carving out a space for an independent, proactive and intellectually engaged type of intervention.

This proactive role in putting issues on the agenda of stakeholders and stimulating debate seems particularly necessary in order to counteract two relatively generalised tendencies in policy making and implementation. First is the tendency on the part of some actors to interpret and implement policy in highly selective ways with the effect of almost distorting and undermining the original policy goals and objectives.

Second is the equally unsatisfactory tendency to formulate policy without giving sufficient consideration to both the conceptual and practical issues that implementation raises. The recent past has alerted the CHE to the need to draw attention to conceptual aspects of policy when they are overshadowed by concern with implementation, and also to critique policy if it is lacking conceptually or technically or when implementation is insufficient, poor or haphazard. The steering model also implies another kind of intellectual engagement – keeping up with the current international debates on HE, bringing to the fore issues deemed relevant to South Africa and stimulating discussion among stakeholders.

The institutional character of the CHE as an independent body must therefore be embodied in its roles of

- Providing to the Minister, without fear and with courage, informed, considered and independent advice which it considers to be in the national interest
- Making considered, fair and objective decisions and judgements on quality matters
- Providing intellectual leadership on key national and systemic issues.

For example, the CHE must certainly take as its point of departure the values, principles and policy goals of the *White Paper*, and the policy instruments and mechanisms that are advanced for the achievement of policy goals. However, it must also subject these goals and instruments, where necessary, to critical scrutiny and raise the question of their appropriateness in relation to the fiscal environment, the capacities of HEIs, the available human and financial resources, and so on.

Such a role may occasionally bring the CHE into disagreements and conflict with stakeholders, including the Department of Education (DoE). This cannot be avoided, without the independence (and value) of the CHE being compromised. It does, however, demand tremendous wisdom, integrity, honesty and fairness on the part of the CHE.

Of course, the CHE does not operate in a vacuum. Its activities and advice to the Minister of Education are and will be shaped by a number of factors. These include

- The legislative framework for higher education and the values, principles and policy goals and objectives contained in the 1997 *White Paper* and the 2001 *National Plan for Higher Education*
- The changing requirements of the economy and society and different social groups
- The goals, aims, aspirations and initiatives of national stakeholders and HEIs and science and technology institutions
- The local and international knowledge and information base with respect to higher education issues, questions and practices
- The financial resources and human capacities of the CHE.

**1 PROGRESS TOWARDS THE MANDATE**

As has been noted, the responsibilities allocated to the CHE are extensive and varied. Table 1 below indicates the CHE's responsibilities and its progress and activities over the past six years, and especially in the past year, towards their fulfilment.

**Table 1:** Progress towards fulfilling the mandate of the CHE

<b>RESPONSIBILITY</b>	<b>PERFORMANCE TO DATE</b>
<p><b>1. Advising the Minister on all HE issues on which the CHE's advice is sought</b></p>	<ul style="list-style-type: none"> <li>• Advice on               <ul style="list-style-type: none"> <li>- HE Amendments Bills of 1999, 2000, 2001 and 2002</li> <li>- 1999 NSFAS Bill</li> <li>- Shape and size of HE (2000)</li> <li>- New Academic Policy for HE (2001)</li> <li>- Proposed new funding framework (2001)</li> <li>- 2002 Regulations for the registration of private providers of HE</li> <li>- Criteria and process for determining proposed programme mix and niches of institutions (2002)</li> <li>- Cooperative Governance (2002)</li> <li>- Ministry proposals on institutional restructuring (2002)</li> <li>- Nomenclature of comprehensive institutions (2002)</li> <li>- Conditions and criteria for the use of the designations 'university', 'technikon' etc. and for offering/awarding degrees and postgraduate qualifications (2003)</li> <li>- Proposed new funding framework (2003)</li> </ul> </li> </ul> <p><b>Performance during 2004–2005</b></p> <ul style="list-style-type: none"> <li>• Advice on               <ul style="list-style-type: none"> <li>- Aspects of Distance Higher Education in South Africa</li> </ul> </li> <li>• Comments on               <ul style="list-style-type: none"> <li>- The Ministry's Draft Code of Conduct for Cross Border/Transnational Delivery of Higher Education Programmes</li> </ul> </li> </ul>
<p><b>2. Advising the Minister on its own initiative on HE issues which the CHE regards as important</b></p>	<ul style="list-style-type: none"> <li>• Advice on               <ul style="list-style-type: none"> <li>- Private HE (2000)</li> <li>- Weighting of student subsidy and earmarking funds for black students for academic development</li> <li>- NQF Study Team report (2002)</li> <li>- Institutional redress policy, strategy and funding (2003)</li> <li>- NQF Consultative Document (2003)</li> <li>- New Academic Policy process (2003)</li> <li>- Undertaking of investigation and preparation of draft advice on GATS and its implications for higher education</li> </ul> </li> </ul>

### **Performance during 2004–2005**

- Investigation for the purpose of providing policy advice on
  - GATS and its implications for Higher Education
  - Building the Responsiveness of Higher Education Project to enable the CHE to advise the Minister
  - Government Regulation, Institutional Autonomy and Academic Freedom

### **3. Designing and implementing a system for quality assurance in HE and establishing the HEQC**

- **Establishment of HEQC**
  - Established an Interim HEQC in June 2000
  - Extensive and ongoing consultations with all key stakeholders
  - Applied to SAQA and received accreditation as an ETQA in 2001
  - Released for public comment draft *Founding Document* for HEQC
  - Produced *Founding Document* for HEQC
  - Called for nominations and constituted a HEQC in 2001
  - Publicly launched HEQC in May 2001
- **Research and development**
  - Extensive research on various aspects of quality assurance as part of developing programme accreditation and institutional audit policies and systems
  - Held national conference on quality assurance with international participants in May 2001
  - Conducted evaluation of QPU and SERTEC and produced publication
  - Conducted research on QA systems of professional councils and SETAs and produced publication
  - Commissioned report on quality assurance terminology
  - Produced SERTEC transition plan, 2001–2002
  - Produced directory of ETQAs and Professional Bodies (August 2003)
  - Commissioned research on short courses
  - Commissioned research on recognition of prior learning
  - Commissioned research on and held workshop on vocational education
  - Commissioned research on NQF Consultative Document proposals
- **Performance during 2004–2005**
  - Production of the Improving Teaching and Learning Resource Pack
  - Production of the draft Quality Promotion and Capacity Building Development framework document for stakeholder comment
  - Research on short courses

- Research on recognition of prior learning
- Research on vocational education
- **Programme Accreditation and Coordination**
  - Established and convened Interim Joint Committee and manual to process accreditation of programmes of public providers (with DoE and SAQA)
  - Undertook accreditation of hundreds of new programmes of public HEIs
  - Took over from SERTEC and delegated to CTP (with HEQC participation) until end of 2003 quality assurance visits to technikons, agricultural colleges and polytechnics in neighbouring countries
  - Took over from SAQA the accreditation of programmes of private providers
  - Produced new draft manual and piloted the accreditation of programmes of private providers
  - Undertook accreditation of hundreds of new programmes of private HEIs
  - Undertook re-accreditation of scores of existing programmes of private providers
  - Undertook accreditation of 285 new programmes of public HEIs
  - Undertook accreditation of 255 new programmes of private HEIs
  - Undertook re-accreditation of 138 existing programmes of private providers
  - Undertook re-accreditation of all MBA programmes
  - Released discussion document on proposed new accreditation framework
  - Undertook finalisation of new accreditation policies and framework
  - Preparation of regulations for accreditation
  - Extensive investigation into various aspects of coordination of higher education quality assurance
  - Publication of a directory of ETQAs and professional bodies arising from investigation into coordination of higher education quality assurance
  - Various meetings with SAQA and HEIs on issues related to coordination of higher education quality assurance
  - Extensive and ongoing consultations with all key stakeholders



- **Performance during 2004–2005**
  - Development and implementation of the new programme accreditation system
  - Processing of 203 learning programmes from public HEIs
  - Processing of programmes at public HEIs accredited with conditions since 1999
  - Processing of 85 learning programmes from 38 private HEIs
  - Processing of 142 programmes of private HEIs accredited with conditions since 1999
  - Finalisation of the re-accreditation of all MBA programmes
  - Preparation for the National Review on Professional and Academic Programmes in Education
  - Receipt of eight ETQA applications indicating the MoU model they wish to negotiate with the CHE
  - Extensive and ongoing consultations with all key stakeholders
- **Institutional Audits**
  - Undertook research and development of institutional audit framework
  - Released discussion document on proposed new audit framework
  - Conducted one-day visits to all public and sample of private institutions
  - Undertook three pilot audits of HEIs
  - Undertook finalisation of new audit policies and framework
  - Preparation of regulations for institutional audits
  - Extensive and ongoing consultations with all key stakeholders
  - Meetings with institutions selected for institutional audits
- **Performance during 2004–2005**
  - Development and implementation of the new institutional audit system
  - Visits to public and private institutions earmarked for institutional audits in 2004–2005
  - Training workshops for auditors, chairpersons of audit panels and writers of audit reports
  - Observation of institutional audits in India and visits to a number of universities which had been audited by the Indian National Accreditation and Assessment Council (NAAC)
  - Extensive and ongoing consultations with all key stakeholders

- **Quality Promotion and Capacity Development**
  - Initiated Teaching and Learning project
  - Produced resources for Teaching and Learning
  - Established HEQC national forum of quality assurance managers at HEIs
  - Held numerous workshops on Teaching and Learning resources
  - Convened HEQC national forum of quality assurance managers at HEIs
  - Organised numerous conferences, seminars and training workshops
  - Support to Namibian and Mozambican Ministries
  - Began preparation of framework document for Quality Promotion and Capacity Development
  - Preparation of regulations for Quality Promotion and Capacity Development
  - Extensive and ongoing consultations with all key stakeholders
- **Performance during 2004–2005**
  - Support of capacity development in a number of areas, including for merging institutions and for students, student development officers, quality managers and deans of students on participation of students in quality assurance and promotion
  - Training workshops for auditors, chairpersons of audit panels and writers of audit reports
  - Further development of partnerships with HEIs and a wide range of other stakeholders
  - Occasional seminars to provide the HE community with opportunities to engage on issues of shared interest with a range of experts
  - Two HEQC QA Managers Forums for Public Providers with a total attendance of 85 delegates from public HEIs and national umbrella stakeholder bodies
  - Two HEQC QA Managers Forums for Private Providers with a total attendance of 143 delegates from private HEIs
  - Assistance to the Committee of Higher Education Librarians in South Africa (CHELSA) to secure a grant from AUSAID for an Australian expert to facilitate three workshops to develop good practice and self-evaluation guides for managing the quality of libraries, with the HEQC developing a framework for the workshops
  - Constitution of a working group of experts from CTP, APPETD, DoE, SAQA and the HEQC to critically examine standards of existing Level 5 qualifications and their generic Level 5 descriptors

- Support to Namibian and Mozambican Education Ministries
- Production of draft framework document for Quality Promotion and Capacity Development
- Production of regulations for Quality Promotion and Capacity Development

- **NQF implementation**

- Meetings with SAQA regarding aspects of NQF and its implementation in higher education
- Meetings with DoE on aspects of NQF and its implementation in higher education
- Convened Joint Implementation Plan Committee for implementation of NQF within HE
- Commented and advised on reviews of the NQF
- Commented and proactively advised on NQF Consultative Document (2003)

- **Performance during 2004–2005**

- Numerous meetings with SAQA on aspects of the NQF and its operation within HE

- **International Collaboration**

- **Performance during 2004–2005**

- Interactions with international partners in order to further the work of the HEQC
- MoUs signed between the HEQC and Quality Assurance Agency in the United Kingdom, the Norwegian Agency for Quality Assurance in Higher Education and the National Accreditation and Assessment Council in India
- Assistance to the Association of African Universities to prepare proposal for the launch of an African Network of Quality Assurance Practitioners
- Contribution to the development of a United Nations Educational, Scientific and Cultural Organisation/Organisation for Economic Cooperation and Development (UNESCO/OECD) set of guidelines on quality in cross-border provision

**4. Advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration**

- Produced Memorandum and met with the Minister (December 1999)
- Established Task Team and produced Shape and Size report (July 2000)
- Extensive engagements with HEIs and stakeholders around Shape and Size report
- Obtained and analysed stakeholder submissions on Shape and Size report in preparation for *National Plan*
- Discussions with Minister and DoE around *National Plan*
- Established standing Committee and Shape and Size

	<ul style="list-style-type: none"> <li>- Commented on National Working Group report on restructuring</li> <li>- Advised on criteria and process for determining proposed programme mix and niches of institutions</li> <li>- Advised on the Ministry’s final restructuring proposals</li> <li>- Advice to Minister on conditions and criteria for the use of the designations ‘university’, ‘technikon’ etc. and for offering/awarding degrees and postgraduate qualifications (2003)</li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Initial engagements with the Ministry’s proposed student enrolment planning in HE and new admission requirements to HE draft documents</li> </ul> </li> </ul>
<p><b>5. Advising the Minister in particular on the new funding arrangements for HE</b></p>	<ul style="list-style-type: none"> <li>• Established CHE Financing and Funding Task Team</li> <li>• Advised Minister on weighting of student subsidy and earmarking funds for black students for academic development</li> <li>• Produced draft document on proposed funding framework (2001)</li> <li>• Obtained and analysed stakeholder submissions</li> <li>• Advised on proposed new funding framework (2001)</li> <li>• Public release of CHE advice to the Minister (2002)</li> <li>• Established Task Team on Institutional Redress policy, strategy and funding</li> <li>• Established Standing Committee on Financing and Funding</li> <li>• Advised on institutional redress policy, strategy and funding (2003)</li> <li>• Advised on proposed new funding framework (2003)</li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Commissioning of investigation into financing of HEIs for the purposes of providing possible advice to the Minister</li> </ul> </li> </ul>
<p><b>6. Advising the Minister in particular on language policy in HE</b></p>	<ul style="list-style-type: none"> <li>• Established CHE Language Policy Task Team</li> <li>• Task Team report on language policy framework for HE</li> <li>• Discussed and finalised report of Language Policy Task Team</li> <li>• Advice and report to Minister on language policy</li> <li>• Preliminary interaction with Minister around advice</li> <li>• Minister’s language policy on higher education draws substantially on CHE advice</li> <li>• Public release of CHE advice to the Minister (2003)</li> </ul>

<p><b>7. Developing a means for monitoring and evaluating whether, how, and the extent to which the vision, policy goals and objectives for HE defined in the <i>White Paper on HE</i> are being realised, and what their consequences are</b></p>	<ul style="list-style-type: none"> <li>• Task Team on Achievement of Policy Objectives established</li> <li>• Activities of the Task Team suspended owing to Shape and Size activity</li> <li>• Re-established as Project of Secretariat</li> <li>• Project and funding proposal produced and submitted to donor – R 2.4 million funding received from Ford Foundation towards building a monitoring and evaluation system</li> <li>• State of HE Reports of 1998/1999 and 2000/2001 provided as detailed an analysis as feasible of progress towards policy goals</li> <li>• Establishment of Reference Group to guide development of a conceptual framework and system for Monitoring and Evaluation</li> <li>• Production of numerous drafts of framework document on Monitoring and Evaluation</li> <li>• Finalisation of a Discussion Document: <i>Towards A Framework for the Monitoring and Evaluation of South African Higher Education</i></li> <li>• Preparations for release for public comment of Discussion Document</li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Ongoing monitoring and evaluation projects</li> <li>- Commissioning of research for the Triennial Review of Higher Education publication</li> <li>- Publication of a report on <i>The State of Provision of the MBA in South Africa</i></li> <li>- Publication of a report, <i>South African Higher Education in the First Decade of Democracy</i></li> </ul> </li> </ul>
<p><b>8. Promoting the access of students to HE</b></p>	<ul style="list-style-type: none"> <li>• The Shape and Size report</li> <li>• Motivated increasing the participation rate from about 15% to 20%</li> <li>• Called for increased and widened access – especially for historically disadvantaged</li> <li>• Called for increased support for the NSFAS and increasing size of grants</li> <li>• Engagements around RPL and monitoring of developments in this area</li> <li>• Commissioned research on RPL and short courses</li> <li>• CHE decision to commission work on the barriers to equity of access, opportunity and outcomes in HE</li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Ongoing research on RPL and short courses</li> <li>- Continued work on the barriers to equity of access, opportunity and outcomes in HE</li> <li>- Project on participation of students in quality assurance and promotion</li> </ul> </li> </ul>

<p><b>9. Providing advice to the Minister on the proposed new Education Management Information System for HE</b></p>	<ul style="list-style-type: none"> <li>• Recommendations made to DoE following presentation on HEMIS in 1999</li> <li>• Ongoing communication with DoE and SAQA regarding HEMIS and NLRD in relation to CHE databases for monitoring and quality assurance</li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Ongoing collaboration with DoE and SAQA regarding HEMIS and NLRD in relation to CHE databases for monitoring and quality assurance</li> </ul> </li> </ul>
<p><b>10. Formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the White Paper</b></p>	<ul style="list-style-type: none"> <li>• Academic Policy Task Team with representatives from key constituencies established to undertake work for DoE</li> <li>• Work suspended for decisions related to shape and size; reactivation of work during late 2000</li> <li>• Work of CHE convened Joint Implementation Committee and IJC fed into work of the Academic Policy Task Team</li> <li>• Report on <i>New Academic Policy</i> (NAP) approved as discussion document by CHE (2001)</li> <li>• Report handed over to the DoE in late 2001 for public comment process and finalisation</li> <li>• Ongoing communication with Ministry regarding NAP and also with SAQA</li> <li>• Awaiting final document from DoE for advice</li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Ongoing communication with Ministry regarding NAP and also with SAQA</li> <li>- Awaiting final document from DoE for advice</li> </ul> </li> </ul>
<p><b>11. Formulating advice for the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating South Africa’s economy, such as greater HE–industry partnerships</b></p>	<ul style="list-style-type: none"> <li>• Project established in 2001</li> <li>• Project proposal developed and submitted to donor and donor funding secured</li> <li>• Meeting with Minister and discussions with other government Ministers and departments and prospective partners</li> <li>• Studies and papers commissioned and published</li> <li>• National colloquium held on 27–28 June 2002</li> <li>• Publication on commissioned research and colloquium</li> <li>• Colloquium on HE responsiveness at local government level (2003)</li> <li>• Facilitated process to develop an MoU between HEIs in Johannesburg and Johannesburg Metropolitan Council</li> <li>• MoU between HEIs in Johannesburg and Johannesburg Metropolitan Council signed in 2003</li> <li>• Advice and recommendations to Minister to be finalised in late 2004</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Performance during 2004–2005</b></li> <li>- Continuing work on the Building the Responsiveness of Higher Education project to enable the CHE to advise the Minister in late 2005</li> </ul>
<p><b>12. Appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HE institutions</b></p>	<ul style="list-style-type: none"> <li>• An initial panel established in 1998</li> <li>• Panel supplemented with new members during 2000</li> <li>• Panel supplemented with new members during 2001</li> <li>• Minister has used panel members for investigations at a number of institutions</li> <li>• Panel supplemented with new members during 2003</li> <li>• Minister used panel member for investigation at the University of Durban-Westville</li> <li>• <b>Performance during 2004–2005</b></li> <li>- Ongoing maintenance of panel of assessors</li> </ul>
<p><b>13. Establishing healthy interactions with HE stakeholders on the CHE's work</b></p>	<ul style="list-style-type: none"> <li>• Bilateral meetings with CTP and SAUVCA during 1999</li> <li>• Bilateral meetings with SASCO and CTP during 2000</li> <li>• Bilateral meetings with all national stakeholders during 2002</li> <li>• Consultative Conference serves as major forum for interaction</li> <li>• National stakeholders and individual HEIs contribute to the work of the CHE in various ways</li> <li>• Extensive engagements with national stakeholders and HEIs around shape and size during 2000</li> <li>• Extensive contact with DoE and joint activities in some areas</li> <li>• Bilateral meetings with various national stakeholders</li> <li>• Extensive engagements with national stakeholders and HEIs around quality assurance issues</li> <li>• Performance during 2004–2005 <ul style="list-style-type: none"> <li>- Bilateral meetings with various national stakeholders</li> <li>- Extensive engagements with national stakeholders and HEIs around quality assurance issues</li> <li>- National colloquium in November 2004, linked to ten years of democracy</li> </ul> </li> </ul>

<p><b>14. Producing reports on the state of HE</b></p>	<ul style="list-style-type: none"> <li>• Produced a State of HE report for 1998/1999 – extensive report on the state of HE and the work of the CHE</li> <li>• Produced a State of HE report for 2000/2001 – extensive report on the state of HE and the work of the CHE</li> <li>• Framework developed for producing ever more comprehensive and analytical reports on the state of HE</li> <li>• Future State of HE reports will be facilitated by             <ul style="list-style-type: none"> <li>- CHE Monitoring and Evaluation activities</li> <li>- Protocols with institutions and organisations on data collection and sharing</li> <li>- CHE Triennial Review of HE project</li> <li>- Effective HEMIS system of DoE</li> <li>- NLRD of SAQA</li> </ul> </li> <li>• Performance during 2004–2005             <ul style="list-style-type: none"> <li>- Publication of a major report on South African Higher Education in the First Decade of Democracy</li> </ul> </li> </ul>
<p><b>15. Convening an annual consultative conference of HE stakeholders</b></p>	<ul style="list-style-type: none"> <li>• Convened             <ul style="list-style-type: none"> <li>- <b>1st</b> Consultative conference in November 1999</li> <li>- <b>2nd</b> Consultative conference in November 2000</li> <li>- <b>3rd</b> Consultative conference in November 2001</li> <li>- <b>4th</b> Consultative conference in November 2002</li> <li>- <b>5th</b> Consultative conference in November 2003</li> </ul> </li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Convened Colloquium on the Ten Years of Democracy and Higher Education on 10-12 November 2004</li> </ul> </li> </ul>
<p><b>16. Participating in the development of a coherent human resource development framework for South Africa in concert with other organisations</b></p>	<ul style="list-style-type: none"> <li>• Contributions through attendance at workshops</li> <li>• Informal contributions through HRD discussions in context of NQF</li> <li>• Key issue for Responsiveness of HE project and of HE colloquium of 27–28 June 2002</li> <li>• <b>Performance during 2004–2005</b> <ul style="list-style-type: none"> <li>- Meetings with SA Tourism, South African Police Services and other organisations regarding the quantity and quality of human resources</li> <li>- Discussions with SAQA regarding the generalisation of the Joint Implementation Plan committee of SAQA, CHE, the South African Police Services and the POSLEC SETA</li> <li>- Contributions through participation workshops, colloquia and meetings</li> </ul> </li> </ul>



## 17. Contributing to the development of HE through publications and conferences

- Initiated a range of publications: Policy Reports, Research Reports, Occasional Papers, Higher Education Monitor, Newsletters and *Kagisano* – a HE Discussion Series to stimulate discussion and debate around important issues related to higher education
- Initiated a *CHE Discussion Forum* – five held thus far:
  1. Key Global and International Trends in Higher Education: Challenges for South Africa and Developing Countries (Prof. Philip Altbach);
  2. Globalisation, National Development and Higher Education (Prof. Manuel Castells)
  3. A Decade of Higher Education Reform in Argentina (Dr Marcela Mollis)
  4. Tertiary Education in the New South Africa: A Lover's Complaint (Prof. Bob Wolff)
  5. A Conceptual Critique of the Consultative Document *An Interdependent National Qualifications Framework System* (Prof. Michael Young)
  6. Numerous conferences, seminars and workshops convened by the HEQC to promote quality and build institutional and individual capabilities
- **Performance during 2004–2005**
  - Production of new Policy Reports, Research Reports, Higher Education Monitors and newsletters
  - Seminar on 9 March 2005 on theme of *International Trends in Higher Education Quality Assurance: Some National Perspectives*
  - Hosted a national seminar in February 2005 to discuss *Provider Readiness to Offer Programmes Using Distance Education*
  - CHE Discussion Forum on 15 July 2004 on *The Role of Private Higher Education in South Africa*
  - Partnered the AAU, CODESRIA and UNESCO conference on 27–29 April 2004 in Accra, Ghana on *The General Agreement on Trade in Services (GATS) and the World Trade Organisation (WTO) and Higher Education*
  - Numerous conferences, seminars and workshops convened by the HEQC to promote quality and build institutional and individual capabilities

Overall, within the constraints of human and financial resources, excellent progress has been registered during the past five years, including during the past year with respect to the execution of responsibilities.

### 2 INTERACTION WITH THE MINISTER/MINISTRY OF EDUCATION

The CHE meets with the Minister of Education on a needs basis and on request. In 2004–2005, the following formal meetings took place:

- 20 April 2004 – meeting with Minister Kader Asmal on the MBA Review
- 17 May 2004 – meeting with Minister Naledi Pandor on the MBA Review
- 5 November 2004 – meeting between the CHE Chairperson and CEO and Minister Pandor
- 4 March 2005 – meeting with Minister Pandor on the impending National Review of Academic and Professional Programmes in Education
- 14 March 2005 – meeting that was convened by the Minister, on issues that arose from the November 2004 meeting of the Presidential Higher Education Working Group, attended by the CEO.

There was also various written correspondence between the CHE and the Minister.

The practice of monthly meetings between senior CHE staff and senior officials of the Higher Education Branch of the Ministry of Education has continued and provides an important mechanism for addressing various matters.

#### **Requests for Advice from the Minister of Education**

In early 2005 the Minister requested the CHE to advise her on the following:

- a) Student Enrolment Planning in Public Higher Education
- b) Minimum Admission Requirements for Higher Certificate, Diploma and Bachelor's Degree Programmes requiring a Further Education and Training Certificate (General)
- c) The Higher Education Qualifications Framework.

In addition, in March 2005 the CHE's *Policy Advice Report: Advice to the Minister of Education on Aspects of Distance Education Provision in South African Higher Education* (March 2004) was released by the Minister for public comment.

#### **Proactive Advice to the Minister of Education**

The CHE also seeks to provide proactive advice to the Minister. Issues that have been identified for possible advice include:

- a) Barriers (educational, financial, institutional, etc.) to equity of student access and especially opportunity and outcomes in higher education
- b) The funding and financing of higher education
- c) The macro implementation of institutional restructuring and its impact, outcomes and consequences
- d) South African government involvement in and regulation of higher education, institutional autonomy and academic freedom
- e) The General Agreement on Trade in Services (GATS) and its implications for higher education.

### 3 CHE STANDING COMMITTEES, TASK TEAMS AND PROJECTS

CHE activities are undertaken through CHE Standing Committees, Task Teams and Projects.

#### **3.1 Standing Committees**

Standing Committees are devoted to key HE policy areas and issues that require the ongoing attention of the CHE. The Chair and members of Standing Committees are appointed by the CHE. Provision is made for the participation of non-CHE members with the approval of the CHE Council. While Standing Committees are directed and supervised by CHE members, the CHE Secretariat handles their management and administration.

There are three Standing Committees.

### **Shape and Size**

The *Shape and Size Standing Committee* deals with the issues of the overall capacity (*size* in terms of number of institutions, enrolments and participation rate) of the higher education system in relation to the need to develop the high level and varied intellectual and conceptual knowledge, abilities and skills to meet the local, regional, national and international requirements of a developing democracy. This Standing Committee also deals with the development of intellectual and conceptual knowledge and skills as well as ongoing development of professionals at different levels, for different economic and social sectors, in different fields and disciplines and through different kinds of HEIs and educational and pedagogic modes (*shape*).

The Standing Committee is headed by Dr K Mokhele and comprises the following members: Ms T January-McLean, Prof. M Ramashala, Mr J Mamabolo, Prof. SF Coetzee, Mr SBA Isaacs and Prof. S Badat.

### **Funding and Financing**

The *Funding and Financing Standing Committee* deals with all aspects of the funding and financing of higher education. *The Higher Education Act* and the *White Paper* allocate specific responsibilities to the CHE in this regard, such as advising on ‘the policies, principles and criteria that should govern the allocation of public funds among higher education providers’, ‘a mechanism for the allocation of public funds’, ‘student financial aid’, ‘policy regarding public and private financing and provision, the level and distribution of public subsidies to higher education’ and ‘forms of student financial assistance’.

Prof. SJ Saunders chairs the Standing Committee and its members are Prof. B Figaji, Prof. M Ramashala, Prof. S Badat and Prof. RH Stumpf (invited non-CHE member).

### **Monitoring and Evaluation**

The *White Paper* refers to the CHE advising the Minister of Education on

The performance of the system, having regard to available performance indicators...

The progress being made towards achieving national equity and human resource development goals and measures to overcome impediments to achieving transformation goals (Section 3.25i & j).

The CHE’s monitoring and evaluation activities are located in the Directorate: Monitoring and Evaluation and guided and supervised by the *Monitoring and Evaluation Standing Committee*. Prof. AM Perez chairs the Standing Committee and its members include Prof. M Ramashala, Prof. SJ Saunders, and Dr Lis Lange.

### **During the past year, the following was undertaken:**

a) In April 2004 the CHE released a discussion document entitled *Towards a Framework for the Monitoring and Evaluation of South African Higher Education*. This document, which was the product of intensive work by the CHE aided by a reference group, presented the CHE’s conceptualisation of monitoring and evaluation in relation to the South African HE system. The framework proposed to develop a monitoring and evaluation system based on the following understandings:

- Monitoring and evaluation are important instruments for dialogue directed towards improvement.
- The HE system needs to be analysed in relation to other areas of society and the state.
- Indicators are diagnostic tools without explanatory validity per se.
- Policy implementation is a contested process among different social actors.
- Context and history are fundamental points of departure for any intelligence about the HE system.
- Monitoring focuses on the systemic as well as the institutional level.

The *Framework* was distributed among HEIs and other stakeholders for comment. Positive responses were received about the proposed work and there were important contributions that helped to sharpen the conceptualisation of monitoring and evaluation.

As part of developing of a monitoring system the CHE has implemented a series of indicators to measure trends in HE at the institutional and systemic levels, focusing in the first instance on the areas of teaching and learning, and research.

Since monitoring will draw on the analysis of HE data available within the National System of Innovation, the CHE has worked on developing collaborative relationships for the exchange of data with several national bodies. In this regard, the CHE will sign a protocol of collaboration and data exchange with the National Research Foundation (NRF) in mid 2005.

- b) The CHE produces a *Higher Education Monitor* series, as a vehicle for the dissemination of the results of CHE in-house and commissioned research reports. During the period under review the Monitoring and Evaluation Directorate and the HEQC Accreditation and Coordination Directorate worked collaboratively to produce *The State of the Provision of the MBA in South Africa* as *Higher Education Monitor No.2*. This report drew on the results of the re-accreditation of MBAs undertaken by the HEQC between 2003 and 2004, and was launched at a conference on 9 November 2004 at the CSIR Conference Centre. Heads of business schools, heads of the schools of public administration, representatives of the business sectors and government officials attended the conference and launch. This form of collaboration with the HEQC has proved very successful and the production of reports on the state of provision in a particular subject/disciplinary field has been included by the HEQC in its framework for national reviews, creating a permanent area of collaboration between the advice and the quality assurance branches of the CHE.
- c) A collaborative research project with the HSRC on a tracer study, *Pathways from further education and training to higher education to the labour market: Factors affecting student choice, retention, throughput, and destination*, has been initiated and data collection has begun.
- d) The Centre for the Study of Higher Education (CSHE) at the University of the Western Cape (UWC) has finalised a study on *equity of access to higher education for disabled students* which the CHE commissioned in association with the Inclusive Education Directorate of the Department of Education. The research report will be published as *Higher Education Monitor No.3* in June 2005.

### 3.2 Task Teams

CHE *Task Teams* are focused on systemic or major HE policy issues on which the Minister has requested the CHE's advice or on which the CHE wishes to provide advice proactively. They are established according to need. The members of Task Teams, including the Chair, are appointed by the CHE and non-CHE members may participate with the approval of the Council. The CHE Secretariat is responsible for the management and administration of Task Teams.

### Distance Education

An extensive investigation was prompted by a request to the CHE in late 2002 from the Minister of Education for advice on 'the role of distance education in the development of the higher education system'.

The Minister of Education expressed concerns about ‘the unanticipated consequences of the proliferation of distance education programmes offered by contact institutions in the absence of a clear policy framework’ on the emerging single dedicated distance education institution (University of South Africa – UNISA), and also about the relevance and quality of the distance education programmes offered by contact institutions, ‘especially as the introduction of the programmes appeared to have been driven by financial gain, in particular, with respect to programmes offered in partnership with private providers’. In these regards, the Minister of Education requested the CHE to advise him on

- The conditions and criteria which should govern the provision of distance education programmes by traditionally contact institutions, given the concerns raised in the National Plan
- The broader role of distance education in higher education in the light of current and future international trends and the changes in information and communication technology. This would ensure that distance education is well placed to contribute to the development and transformation of the higher education system and its role in social and economic development.
- The role of a single distance education institution in South Africa, in particular, the role the latter could play, as the *White Paper* suggests, in the development of a ‘national network of centres of innovation in course design and development, as this would enable the development and franchising of well-designed, quality and cost-effective learning resources and courses, building on the expertise and experience of top quality scholars and educators in different parts of the country’ (*White Paper*, 1997:2.61).

It subsequently became clear that the Minister also sought advice on the funding of distance education.

The CHE’s investigation was undertaken in a complex context in which the Ministry acknowledged in both the 1997 *White Paper* and the 2001 *National Plan for Higher Education* that the ‘traditional distinction between contact and distance institutions and modes of delivery is becoming increasingly blurred’ (MoE, 2001:60). It also accepted the CHE’s suggestion in its *Towards a New Higher Education Landscape* that higher education programmes existed on a continuum running from ‘provision purely at a distance to provision that is purely face-to-face’ (CHE, 2000:44). This implied that it was extremely difficult to identify at which point of the continuum many programmes sat, and hence how they might be categorised. Furthermore, other research had identified the ever-growing diversity of education practices, from distributed lecturing systems using video-conferencing to systems using well-designed study guides and decentralised tutorial support, being clustered under the ‘catch-all’ term ‘distance education’.

Within this complex terrain, and taking the Minister of Education’s request as the point of departure, the specific aims of the CHE investigation were to

1. Develop a shared understanding of the changing nature of distance education and its costs and role in higher education, and attempt to circumscribe what is being referred to as ‘distance education’
2. Develop guidelines for role differentiation in the distance education sector
3. Recommend defensible and durable conditions and criteria relating to distance education provision, for the Ministry to use in guiding the programme mix at South African public HEIs. This will be based in part on an agreement with the Higher Education Quality Committee (HEQC) on criteria for quality distance education provision and their role in assuring these
4. Propose ways in which distance education might be funded
5. Recommend mechanisms to harness the best expertise in the country to develop high quality learning resources for widespread use in the higher education sector.

The investigation took as its points of departure the vision and goals for higher education expressed in the *White Paper* and the *National Plan* and the key values and principles that are intended to guide the process of transformation and development in higher education. The investigation concentrated on distance education in the public higher education sector, as the issues on which the Minister requested advice pertained primarily to this sector.

The CHE provided advice to the Minister of Education in March 2004 and released a Research Report on *Enhancing the Contribution of Distance Higher Education in South Africa* in September 2004. The CHE's advice to the Minister was released by the Minister to the public in March 2005 and is available on the CHE's website.

### **South African Government Involvement in and Regulation of Higher Education, Institutional Autonomy and Academic Freedom**

The CHE has established a Task Team to investigate the past decade of regulation of higher education by government and other agencies, and also to promote debate on conceptions of institutional autonomy, academic freedom and public accountability, in general, and in the specific context of the transformation and development of South African higher education.

The specific aims of the investigation are to:

- Stimulate research and writing, through the creation of various public forums, public discussion and debate on institutional autonomy, academic freedom and public accountability
- Attempt to build shared understandings on these important principles
- Attempt to develop consensus on the nature and modes of government involvement in higher education transformation, and on the relationships between government and other regulatory bodies and HEIs.

The Task Team has been 18 months in the making, stimulated by the CHE's previous advice to the Education Minister on governance, its Research Report, *Governance in South African Higher Education* (May 2002), and by claims in various quarters of government 'interference' in higher education. Over the following 18 months, it proposes to:

- Critically analyse the nature and modes of government and other regulatory bodies' involvement in higher education and its transformation and development
- Identify and critically assess the conceptions of institutional autonomy, academic freedom and public accountability that are held by key higher education actors
- Produce a report on the nature of the involvement of government and regulatory bodies in higher education, on various conceptions of institutional autonomy, academic freedom and public accountability and on their efficacy in general, and with respect to higher education transformation and development.

It appears to be generally accepted that government has a vital and key role to play in higher education restructuring and transformation. This role has been formulated as 'state steering' as opposed to 'state interference', and is predicated on key principles that include institutional autonomy, academic freedom, and public accountability.

In recent years the transformation agenda has shifted from the expression of general visions and frameworks of higher education principles, values, and goals to policy formulation and the need to make difficult choices and take tough decisions in the contexts of competing goals and principles, financial constraints and the lack of professional personpower. In this new context, some actors are concerned that government involvement may be showing signs of moving from 'state steering' to 'state interference'. Rejoinders of other actors are that claims of 'interference' are being confused with stronger state steering than in the past, which is necessitated by various developments and conditions.

The CHE is of the view that differing positions on the nature of government involvement are informed by particular conceptions of institutional autonomy, academic freedom and public accountability, and the relationships between these principles. There are also different views on the

appropriate balance in specific areas of higher education between government regulation, regulation by other national agencies and institutional self-regulation, either through individual institutions or through bodies such as the South African Universities Vice-Chancellors Association (SAUVCA), the Committee of Technikon Principals (CTP) and the Association of Private Providers of Education, Training and Development (APPETD).

Institutional autonomy and academic freedom are vital to the effective undertaking of the core purposes of higher education. The CHE is concerned that differing positions on regulation, based on varying conceptions of institutional autonomy, academic freedom and public accountability, have the potential to become an object of increasing conflict and contestation between government, other regulatory agencies, higher education institutions, organisations, stakeholders, and constituencies. Such conflict could debilitate higher education and also the important transformation agenda; hence the CHE's decision to launch an investigation that can illuminate key issues, especially in the specificity of the South African context of transition from apartheid to democracy.

The Task Team investigation will also help give effect to the CHE's responsibilities to independently advise the Education Minister, to monitor and evaluate higher education, and to contribute to its development.

The CHE will invite higher education institutions, organisations, stakeholders, constituencies and all interested parties to make submissions to the Task Team on the scope of its investigation, on their views on the nature of government regulation of higher education, and on their conceptions of institutional autonomy, academic freedom and public accountability, and any other related matter.

The Task Team includes Prof. Njabulo Ndebele (Vice-Chancellor, University of Cape Town), Justice Kate O' Regan (Judge, Constitutional Court), Mr Steven Friedman (Senior Research Fellow, Centre for Policy Studies), Dr Khotso Mokhele (President and CEO, National Research Foundation), Prof. Deborah Posel (Director, Wits Institute of Social and Economic Research), and Prof. Ebrami Sall (Director of Research, Council for the Development of Research in Africa).

### **3.3 Projects**

Issues that are not related to the immediate policy advice responsibilities of the CHE are, with the approval and guidance of the CHE, directed, supervised and managed by the CHE Secretariat as Projects. These include:

- Research and investigations that give effect to and/or inform the diverse work of the CHE. The results of these can, following discussion by the Council, lead to advice to the Minister.
- Reporting on the state of South African higher education
- The annual Consultative Conference
- CHE conferences and discussion forums
- CHE publications and other media
- The production of the CHE Annual Report that must be submitted to parliament.

The CHE's projects seek to give effect to or help facilitate the execution of the responsibilities that have been accorded to the CHE. The requirement to contribute to the development of higher education provides considerable leeway for the CHE to identify systemic and national HE issues that deserve critical reflection and to initiate projects in this regard. The privileged vantage point that the CHE enjoys with respect to national HE and HE-related developments also makes it easier to identify issues for investigation.

The CHE is convinced that its own ability to provide considered, independent and especially proactive advice is dependent on promoting and helping to sustain high quality critical scholarship on South African HE and HE in general. In the South African context this requires encouraging and helping to develop and nurture a community of HE scholars and policy analysts within and outside HEIs. Through a number of its projects – monitoring and evaluation, critical triennial review of HE,

the role of HE in social transformation, to mention just a few – the CHE seeks to involve established and emerging academics and researchers and contribute to building institutional capacity for HE studies.

### **Building Relationships between Higher Education and the Private and Public Sectors to Respond to Knowledge and High-Level Human Resource Needs in the Context of Inequality and Unemployment.**

The purpose of the ‘responsiveness’ project was to give effect to the CHE’s statutory responsibility ‘to formulate advice to the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating the South African economy such as greater higher education–industry partnerships’.

The project has aimed to understand labour market needs, the fit between graduates’ skills, competence and attributes and employers’ needs, while reviewing the theoretical and methodological approaches that underpin the issue of responsiveness. In addition, the project brought together leaders of higher education and leaders from the private and public sector and labour unions to talk about expectations, needs, and, especially, the possibility of relationships that were not only beneficial for higher education and employers, but also appropriate for the economic and social needs of the country.

This project, which has been funded by a grant from the United Kingdom Department for International Development (DfID), is now synthesising the lessons of the past few years and preparing a Policy Advice Report for the CHE to discuss and approve, before submission to the Minister of Education. This Report takes into account the CHE experience of facilitating actual collaborative partnerships between higher education and different private and public stakeholders (2003), as well as the analysis of the fit between sectoral needs and graduate skills through the lens of the re-accreditation of the MBA.

### **Triennial Review of HE**

This project, funded by the Rockefeller Foundation, entails the production of a research-based publication called the *Triennial Review of South African Higher Education*. The purpose of this publication is to gather specialist research on issues on higher education that are of local importance but have at the same time international resonance. The publication has as its main purposes to reflect on emergent trends and issues in South Africa and to advance new ways of thinking about and understanding higher education. At the same time, the commissioning of research papers for the *Review* from research groups around the country is seen as an ideal opportunity to encourage the involvement of young South African researchers, especially black and female researchers, in a research-based publication.

The following are the research topics that have been commissioned:

- Systemic Governance, Public Accountability and Institutional Autonomy
- Transformation of Institutional Cultures: A Critical Analysis
- Changes and Continuities in South African Higher Education 1994 – 2004
- Understanding the Discourses of Pedagogy, Change and the Role of Technology in South African Higher Education
- Equity, Access and Success in Higher Education in South Africa for Adult Learners and Workers
- Changing Sources of Funding in South African Higher Education.

Final drafts of the research reports have been submitted to the Editorial Team, and these will be peer reviewed and published as monographs. Articles based on the research will be included in a CHE publication during the second half of 2005.



## **GATS and its Implication for South African Higher Education**

The aims of the project are to:

1. Identify the critical issues and key challenges of principle, strategy, policy and practice that GATS raises in relation to higher education and the implications it has for South African higher education policymakers, regulators (the Ministry and the CHE as far as quality assurance is concerned) and providers (public and private higher education institutions)
2. Describe and analyse the claims being made in the context of GATS at the WTO by a small number of countries on the South African Government with respect to higher education.
3. Advance approaches and strategies and possible policy options and recommendations with regard to 1. above.
4. Advance approaches and strategies and possible policy options and recommendations with regard to 2. above.

The CHE successfully partnered the AAU, CODESRIA and UNESCO in a conference on 27–29 April 2004 in Accra, Ghana, on GATS and the WTO and higher education, whereafter progress has been made to improve and expand the third draft report, based on ideas and issues that emerged at this conference.

The CHE also attended the AAU General Conference in Cape Town in February 2005, which had as its theme Cross-Border Provision and GATS.

Several bibliographies have been produced as part of the CHE's commitment to the AAU.

A Research Report and proposed Policy Advice Report will be tabled at the CHE Council in late 2005.

## **Colloquium on Ten Years of Democracy and Higher Education Change**

The CHE in association with SAUVCA and the CTP hosted a colloquium on *Ten Years of Democracy and Higher Education Change* on 10–12 November 2004 at Glenburn Lodge Country Estate in Muldersdrift, Johannesburg.

The Colloquium brought together higher education leaders, senior government officials, policy makers, advisors and analysts, local and overseas scholars and intellectuals, and a range of key higher education stakeholders

- To engage critically on the higher education transformation process, its goals, value and policy underpinnings, its implementation dynamics, and its current outcomes in the context of the political and economic policies, conditions and changes in South Africa during the past decade
- To address where higher education is today and debate what needs to be done in relation to the values, principles, ideals and goals that are meant to define higher education transformation in South Africa.

The specific goals of the colloquium were to:

- Critically **identify** and **discuss** national and institutional weaknesses and shortcomings and issues and trends of concern, and the reasons for these
- Define HE's ongoing systemic, institutional and research and development challenges, cognisant of constraints but also the possibilities
- Celebrate HE's progress and achievements
- Renew commitment to higher education transformation.

The Colloquium, funded in part by the Ford Foundation, was attended by some 120 persons. It was lauded as one of the best colloquia on higher education, and it was recommended that the format used serve as the basis for future colloquia. The proceedings of the Colloquium can be accessed on the CHE's website at [www.che.ac.za](http://www.che.ac.za).



## South African Higher Education in the First Decade of Democracy

The CHE Council approved the production of a special *South African Higher Education in the First Decade of Democracy* report in place of the usual State of Higher Education report.

The purpose of the Report was to describe and analyse the contemporary state of South African higher education, with reference to what was inherited in 1994 and the changes that have occurred over the past ten years.

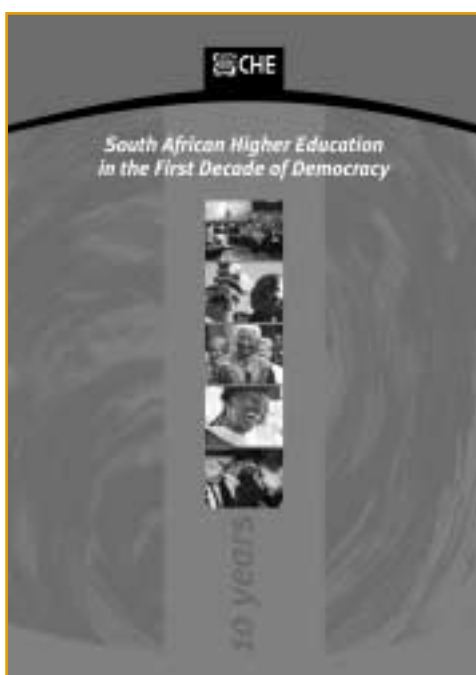
Through the *Report*, the CHE hoped to:

- Stimulate debate and discussion among policymakers, stakeholders and scholars around the information and analysis produced
- Produce a valuable resource for researchers, administrators and policy-makers concerned with higher education
- Give further effect to the CHE's commitment to the publication and dissemination of knowledge and information about higher education.

The *Report* comprises chapters on key aspects of higher education, including teaching and learning, research, service learning, equity, quality, responsiveness, governance, financing and internationalisation. Each chapter was reviewed by critical readers and distils key themes, debates and issues, thereby assembling an empirically based account of South African higher education within the following framework:

- The inheritance as at 1994
- Key developments in the last ten years
- The current situation
- Critical issues and key challenges ahead.

The report, funded in part by the Ford Foundation, has been distributed extensively within the higher education sector and to other key stakeholders. It can be downloaded from the CHE's website.



An innovative undertaking was the production of a special popular supplement on the *South African Higher Education in the First Decade of Democracy* report in conjunction with the *Mail & Guardian* weekly newspaper.

### 1 INTRODUCTION

Quality assurance is a statutory responsibility of the CHE, carried out through its permanent sub-committee, the Higher Education Quality Committee (HEQC). According to the *Higher Education Act* of 1997 the functions of the HEQC are to

- Promote quality in higher education
- Audit the quality assurance mechanisms of higher education institutions
- Accredite programmes of higher education.

To the above three mandate areas, the Board of the HEQC has added quality-related capacity development.

The HEQC operates within the framework of the NQF and is accredited by SAQA as the band ETQA for higher education.

### 2 HEQC BOARD AND MEMBERSHIP

The HEQC has its own Board with two CHE members represented on it (the chairperson of the HEQC and one other). HEQC members are chosen by the CHE on the basis of nominations from interested parties in higher education. All HEQC members are appointed in their own right for a three to four year period. The membership of the current Board has been extended to the end of March 2005. Board members bring expertise from different stakeholder domains. The current membership comprises

#### Chairperson

Prof. HP Africa \* *Independent Consultant*  
CHE Member

#### Voting Members

Ms J Glennie \* *Director, South African Institute for Distance Education*  
CHE Member

Prof. B Khotseng *Independent Consultant*  
(previous Deputy Vice-Chancellor, University of Cape Town)

Prof. N Kok *Senior Vice-Rector (Academic), Cape Technikon*

Ms K Sattar \* *Director: Centre for Quality Promotion and Assurance,*  
Durban Institute of Technology

Dr M Motshekga-Sebolai *Manager: Corporate Affairs, Educor*

Mr I Sehoole *Executive President*  
South African Institute of Chartered Accountants

Ms L Gordon-Davis *Executive Officer, South African Tourism Institute*

Mr N Bickett *Director: Human Resources, Old Mutual*

Dr J Reddy *Independent Consultant*

Mr V Nkabinde *Executive Director*  
South African Graduates Development Association

Dr NM Takalo *Vice-Principal, North West University*

### Co-opted members

Mr J Landman	National Tertiary Education Staff Union
Prof. RH Stumpf *	<i>Vice-Chancellor</i> , University of Port Elizabeth

### Non-voting members

Dr M Qhobela	<i>Chief Director</i> Higher Education Branch, Department of Education
Dr P Lolwana	<i>Executive Officer</i> , UMALUSI
Prof. S Badat *	<i>Chief Executive Officer</i> , Council on Higher Education
Dr M Singh *	<i>Executive Director</i> , Higher Education Quality Committee

(\* Members serving on the Executive Committee of the HEQC)



### HEQC BOARD

*Standing (from left to right):*

Mr I Sehoole, Prof. S Badat, Mr J Landman, Prof. R Stumpf, Dr M Qhobela, Prof. N Kok

*Sitting (from left to right):*

Ms L Gordon-Davis, Dr M Motshekga-Sebolai, Prof. HP Africa, Dr M Singh, Dr P Lolwana, Ms J Glennie



Prof. B Khotseng



Mr V Nkabinde



Dr J Reddy



Ms K Sattar



Mr N Bickett

### 3 ORGANISATION

The HEQC Board meets every two months and the HEQC Executive Committee (EXCO) meets once a month. The work of the HEQC is conducted through the following sub-committees:

- The EXCO
- The Policy Development and Review Committee
- The Accreditation Committee (Private Providers)
- The Interim Joint Committee (Public Providers)

An expanded EXCO functions as a Policy Development and Review Committee. Regular reports on the work of the HEQC are tabled at the bi-monthly full meetings of the CHE.

During the past year, the HEQC Board and the EXCO met regularly as scheduled and also on a 'need to' basis.

The work of the HEQC is divided among three directorates and the office of the Executive Director.

The three Directorates are

- Programme Accreditation and Coordination
- Institutional Audits
- Quality Promotion and Capacity Development.

The HEQC comprises 30 full-time members of staff who are grouped into the Office of the Executive Director (three), the Programme Accreditation and Coordination Directorate (15), the Institutional Audit Directorate (six), and the Quality Promotion and Capacity Development Directorate (six). The HEQC also uses a number of contract staff and consultants as well as the services of local and foreign quality assurance experts at higher education and other institutions and organisations. It draws on the general infrastructure of the CHE for its finance, personnel and media-related requirements. The Executive Director and directors meet once a month, and the Executive Director, directors and managers meet once a month in a separate meeting.

#### 4 OFFICE OF THE EXECUTIVE DIRECTOR

The Executive Director provides

- Oversight for policy and systems development, and ongoing planning and implementation activities in all three directorates of the HEQC
- Liaison with the CHE's projects and activities
- Liaison with international quality assurance agencies
- Liaison with other national initiatives in higher education in general and quality assurance in particular
- The management of special projects.



#### HEQC Executive Director's Office

(from left to right):

Pam du Toit (*Personal Assistant*)

Dr Mala Singh (*HEQC Executive Director*)

Dr Herman du Toit (*Projects Manager*)

The year under review saw the beginnings of the implementation of the HEQC systems after an intensive phase of systems development, consultation, pilot testing and modification of draft system proposals. 2004 was the first year of a six-year cycle of institutional audits, at the end of which all public higher education institutions (HEIs) and a selection of specified private HEIs will be evaluated at least once. The audit cycle began with site visits to three private HEIs and one public HEI by peer review panels put together by the HEQC. Audit reports have been sent to all four institutions and improvement plans are awaited from them. All four institutions have expressed satisfaction with the audit process and indicated its usefulness for strengthening quality provision at the respective institutions.

The post-pilot research conducted at two of the three institutions which had pilot audits in 2003, together with a rigorous internal review of the four audits conducted in 2004, has helped the HEQC Secretariat to improve and streamline audit procedures. The HEQC provides intensive training for auditors. It is the case, however, that the audit experience for institutions depends not only on formal HEQC systems but also on the expertise, capacity and styles of operation of individuals on audit panels as well as the expectations and preparedness of institutional participants. The HEQC is attempting to address some of these issues through its auditor training programme as well as working with institutions in relation to institutional preparation.

As far as accreditation is concerned, all preparations were completed for the June 2005 launch of the online application and processing system for new programme applications from public and private HEIs. This preparation included an extensive mapping of the entire accreditation process, the translation of this into an online system, pilot testing the system with a sample of institutions in order to iron out remaining problems, and capacity development for HEQC staff who will manage the new system. The above activities were carried out in addition to managing the existing system of accreditation and re-accreditation and following up on the conditions set in previous accreditation processes.

The year also saw the completion of the national review of MBAs with the launch of a report on the state of MBA provision in South Africa, and site visits to institutions with conditional accreditation to check on compliance with conditions set during the accreditation exercise. During this period, the HEQC also started preparations for the next set of national reviews, after the HEQC Board decided on a review of selected professional and academic programmes in education.

In relation to its coordination function, the HEQC continued the process of discussions with a number of professional councils and Sector Education and Training Authorities (SETAs) in an attempt to prepare the way for a cooperative approach to quality assurance among Education and Training Quality Assurers (ETQAs) with somewhat overlapping jurisdictions and claims in relation to higher education programmes. The finalisation of the HEQC's own criteria and systems for programme accreditation and the development of its proposals for cooperative modalities provided a clear basis for the discussions. The HEQC is continuing to work through the remaining challenges in relation to the conclusion of cooperation agreements with other ETQAs. Hopefully, the long delayed resolution of the investigation into the implementation of the National Qualifications Framework (NQF) and firm decisions on the Higher Education Qualifications Framework proposals of the Department of Education will help to clarify the situation further.

The activities of the Quality Promotion and Capacity Development (QPCD) Directorate grew enormously in the period under review. This was as a result of greater staff and leadership stability, more coherent planning, and a high level of responsiveness in relation both to the capacity needs pertaining to formal HEQC audit and accreditation systems and to institutional needs emerging from the ongoing restructuring of higher education. The project for merged institutions and HDIs is one example of this responsiveness. The project is a comprehensive multi-activity initiative that seeks to assist merged institutions and HDIs with their preparations for HEQC audits and programme accreditation as well as developing new programme profiles on the basis of quality considerations.

The Directorate has sought to provide support in all three core function areas. It produced a set of Resources for the Improvement of Teacher and Learning, a Guide to Good Practice in Research Management, and support materials in the area of Community Engagement. One of the projects of the Directorate which has attracted international attention has been the Student Quality Literacy Project which seeks to draw students into more active roles in relation to institutional quality assurance arrangements as well as provide information sources to students on accreditation-related matters.

As far as International Liaison is concerned, HEQC staff continued their involvement and participation in international projects and activities. This has included participation in the Quality Assurance-related projects of UNESCO, the AAU and INQAAHE and visits to universities and quality assurance agencies in other countries. These activities have enabled HEQC staff to contribute to and provide leadership in international discussions on quality assurance. At the same time, the HEQC has been able to access information on new developments in quality assurance in other countries which makes it possible to benchmark HEQC activities against good practices in other systems.

The activities of staff in the above regard include

- The involvement of Dr M Singh, the Executive Director of the HEQC as Vice Chairperson of a UNESCO/OECD initiative to develop guidelines for quality in cross border provision
- The involvement of Dr Singh in the work of the UNESCO Global Forum on Higher Education Accreditation, Quality Assurance and the Recognition of Qualifications
- The involvement of Dr Singh in the work of the UNESCO Forum on Higher Education, Research and Knowledge
- The involvement of Dr Singh as a Board member of INQAAHE
- The involvement of Dr Singh in the AAU preparation to develop the second phase of its quality assurance focus
- The visits of senior HEQC staff to countries such as India and Australia to observe institutional audits and hold discussions with colleagues from their national quality assurance agencies
- Participation of HEQC staff in workshops on quality assurance and accreditation with colleagues in the SADC region
- Continued quality assurance, accreditation and capacity development support to the Polytechnic of Namibia.

Overall, the Office of the Executive Director provided leadership and oversight for some of the following activities:

### **Programme Accreditation**

- Finalisation and publication of the Accreditation Framework and Criteria
- Processing of 193 applications from public providers of which 166 were accredited
- Processing of 106 applications from private providers of which 65 were accredited
- Re-accreditation of 77 programmes and 34 institutions
- Following up on compliance issues in relation to conditional accreditation
- Completion of the MBA review and beginning preparations for the next national review.

### **Programme Coordination**

- Several meetings with professional councils and SETAs to exchange information, consult on the HEQC proposals, and plan joint accreditation activities through the development of MoUs.

### **Institutional Audits**

- The completion of audits for three private providers and one public higher education institution, preparation for the next set of audits, and ongoing systems development work on manuals and other audit materials.

### **Quality Promotion and Capacity Development**

- Visits to all merged institutions and HDIs to brief them on the HEQC support and development project for their institutions
- Finalisation and publication of the Resources for the Improvement of Teaching and Learning
- Six auditor training workshops for 185 participants from public and private higher education institutions, professional councils, and other sectors
- Project planning and workshops in relation to quality issues in Distance Education, General Standards for NQF Level 5 Qualifications, Vocational Education, Research Management and Community Engagement.



## 5 PROGRAMME ACCREDITATION AND COORDINATION DIRECTORATE

The Programme Accreditation and Coordination Directorate has two core areas of work:

- Accreditation and evaluation
- Coordination of quality assurance in relation to other Education and Training Quality Assurance (ETQA) bodies in higher education.



### HEQC Directorate: Programme Accreditation and Coordination

#### *Standing (from left to right):*

Tshepo Magabane (*Acting Deputy Director*), Kenny Shalang (*Project Administrator*), Julia Motaung (*Manager*), Theo Bhengu (*Acting Deputy Director*), Stella Mkhavele (*Clerk*), Mercy Sondlo (*Administrator*)

#### *Sitting (from left to right):*

Rheka Bennindeen (*Secretary/Administrator*), Derrick Zitha (*Project Administrator*), Dr Prem Naidoo (*Director*), Jennifer Moloi (*Secretary*), Paulette Macheke (*Clerk*), Lebogang Serepong (*Clerk*)

#### *Inset:*

Makwena Rabele (*Clerk*)

Three major developments mark the period under review, representing the main elements of the work of the Directorate. Firstly, having finalised the Accreditation Framework and Criteria, the HEQC began the final phase of developing a single online system of programme accreditation. This replaced an interim system in which universities, technikons and private providers had to follow different procedures. The second major development was to launch a National Review of Professional and Academic Programmes in Education. Thirdly, the HEQC put in place a set of policies and procedures to guide its coordination work and ensure that memoranda of understanding can be signed with SETAs and professional bodies in 2005.

### 5.1 New Accreditation System

#### New Online System

Until November 2004, the HEQC's system of programme accreditation processed submissions from universities, technikons and private higher education institutions differently, although the same policies and criteria applied. A single system has now been established and from 20 June 2005 applications will be submitted and processed online as part of an application and management information system that has been under development for two years. The *HEQC-ONLINE* went through several rounds of consultations, testing and piloting from September 2004 with the involvement of many higher education institutions, a group of programme evaluators and the HEQC Accreditation Directorate staff. The system will be launched in June 2005.

### 5.2 MBA Review

In May 2004, the HEQC released the results of its Master of Business Administration review. The outcome of the process was full accreditation for seven MBA programmes from six HEIs, conditional accreditation for 15 MBA programmes from 12 HEIs and withdrawal of accreditation from 15 MBA programmes of 10 HEIs.

## CHAPTER 3: QUALITY ASSURANCE AND THE HEQC

In the case where programmes were de-accredited, the institutions were requested not to take new students into the programme and to begin to phase out the programme. Current students in the programme were allowed to continue or complete the programme as an HEQC accredited programme. In some cases, transfer of students to other accredited programmes was negotiated. The HEQC negotiated transfer of students in the case of two public HEIs, and three institutions made their own arrangements for transfers. All the other institutions which were de-accredited were requested to submit for approval plans for phasing out the programmes. 1 703 students were involved in the cases where accreditation was withdrawn.

Higher education institutions which were granted conditional accreditation were requested to provide the HEQC with improvement plans indicating how they had met their conditions of accreditation. Peer review panels were then appointed and these panels have completed site visits to all 12 institutions whose 15 MBA programmes were initially granted conditional accreditation and which subsequently submitted improvement plans. Taking into account the improvement plans and the reports of the panels, the HEQC Board has granted full accreditation to the following MBA programmes:

**Table 2:** Fully accredited programmes

SCHOOL/INSTITUTION	PROGRAMMES
<b>Gordon Institute of Business Science</b> University of Pretoria	MBA
<b>Wits Business School</b> University of the Witwatersrand	MBA
<b>University of Stellenbosch Business School (USB)</b> Stellenbosch University	MBA
<b>Graduate School of Business (GSB)</b> University of Cape Town	MBA EMBA
<b>Graduate School of Business Leadership (SBL)</b> UNISA	MBL
<b>Graduate School of Management</b> University of Pretoria	MBA
<b>School of Management</b> University of the Free State	MBA (General)
<b>Rhodes Investec Business School (RIBS)</b> Rhodes University	MBA
<b>North-West University</b> <ul style="list-style-type: none"> <li>• Mafikeng Campus</li> <li>• Potchefstroom Business School                             <ul style="list-style-type: none"> <li>- Potchefstroom Campus</li> <li>- Vaal Triangle Campus</li> </ul> </li> </ul>	MBA

<b>Business School</b> Tshwane University of Technology	MBA
<b>NMMU Business School</b> Nelson Mandela Metropolitan University	MBA
<b>Management College of Southern Africa (MANCOSA)</b>	MBA General MBA Tourism Management and Development
<b>Milpark Business School</b> Milpark	MBA
<b>Henley Management College of SA</b> Sunninghill	MBA
<b>Graduate School of Business</b> University of KwaZulu-Natal, Westville Campus	MBA
<b>Turfloop Graduate School of Leadership (TGSL)</b> University of Limpopo, Turfloop Campus	MBA

Information from the re-accreditation process was used to develop a report on the State of the Provision of MBAs in South African Higher Education. The Report, discussed on 9 November 2004 with stakeholders, takes as its point of departure the results of the re-accreditation of the MBA programmes carried out by the HEQC and contextualises the provision of MBA programmes within South African higher education and international debates on MBA programmes. The Report focuses on issues of teaching and learning and the relationships between MBA programmes and national development needs.

The launch of the Report was attended by a hundred delegates. Among them were the directors of business schools and schools of public management, representatives of various business sectors, SETASs government officials and the press. The launch of the Report and the follow-up on conditional accreditation signals the culmination of the work of the HEQC in relation to the MBA programme.

### 5.3 Re-accreditation of Private Providers

The HEQC received notification from the Department of Education (DoE) that 34 institutions and 77 programmes had been conditionally registered until 31 December 2005 and therefore needed to be re-accredited. Institutions were notified to submit their applications to the HEQC for re-accreditation not later than 28 February 2005. All institutions (excluding five institutions with 15 programmes) have submitted their portfolios. Site visits will be completed before 31 December 2005.

**Table 3:** Summary of re-accreditation of programmes (private providers), April 2004 – March 2005

Number of providers	Number of submissions	Number accredited	Success rate
34	77	46	60%

### 5.4 Routine Accreditation

During the period April 2004 to March 2005, the HEQC processed 299 applications from South African public and private higher education providers and 10 programmes from South African Agricultural Colleges and Polytechnic Namibia to offer new learning programmes and qualifications. The applications were processed in a combination of activities that included expert comment on

applications, committee screening for approval, conditional approval or rejection and occasional site visits. The applications were processed by the Interim Joint Committee (IJC) in the case of universities, universities of technology (former technikons), agricultural colleges and the Polytechnic of Namibia, and the Accreditation Committee in the case of private providers. This was an interim arrangement until a new accreditation system is implemented in June 2005.

### 5.4.1 Routine Accreditation (Private Providers)

Between April 2004 and March 2005, 106 programmes were submitted for accreditation by 52 private providers. Of these programmes 62% were accredited and 38% were not accredited, as they did not meet the minimum requirements. The accreditation information for private providers for this period is shown in Table 4.

**Table 4:** Summary of routine accreditation of programmes (private providers), April 2004 – March 2005

Number of providers	Number of submissions	Number accredited	Success rate
52	106	65	62%

### 5.4.2. Routine Accreditation (Public Providers)

The HEQC received 193 programmes from universities, universities of technology and comprehensive HEIs for consideration at its Interim Joint Committee meetings between April 2004 and the end of March 2005. The relevant data is provided in Table 5.

**Table 5:** Accreditation of programmes of public providers: April 2004 – March 2005

Type of institution	No. of applications	Applications not tabled	Applications tabled	Not accredited	Accredited
University	129	-	129	19	110
Technikon/ University of Technology	64	-	64	8	56
<b>Total</b>	<b>193</b>	-	<b>193</b>	<b>27</b>	<b>166</b>
%	<b>100%</b>	-	<b>100%</b>	<b>14%</b>	<b>86%</b>

An analysis of the data from the accreditation of public provider programmes indicates the following:

- Of the *fields of study* in the 166 accredited programmes from public HEIs (universities of technology and universities) that were accredited during this period, 51 were in Science, Engineering and Technology, 26 in Business and Commerce, 56 in Education and 33 in Humanities.
- In terms of *levels of study*, 67 of the 166 accredited public HE programmes were undergraduate programmes and 99 were postgraduate programmes.

**Table 6:** Accredited university of technology/technikon programmes

#### 6.1 Per field of study

Science, Engineering & Technology	Business & Commerce	Education	Humanities	Total
7	6	39	4	56

### 6.2 Per level of study

Under-graduate certificate/ diploma	Post-graduate certificate/ diploma	B/Tech	Honours	M/Tech\ Masters	D/Tech	Total
29	6	5	5	7	4	56

**Table 7:** Accredited university programme

### 7.1 Per field of study

Science, Engineering & Technology	Business & Commerce	Education	Humanities	Total
44	20	17	29	110

### 7.2 Per level of study

Under-graduate certificate/ diploma	Bachelors	Advanced certificate	Post-graduate certificate/ diploma	Honours	Masters	PhD	Total
2	36	10	15	6	38	3	110

### 5.4.3 Accreditation of Agricultural Colleges and the Polytechnic of Namibia

The Polytechnic of Namibia has requested that its programmes be evaluated by the HEQC. This is carried out by the HEQC in terms of an MoU between the HEQC, the Polytechnic of Namibia and the Namibian Qualifications Authority. On request, agricultural colleges are also being evaluated by the HEQC, and the HEQC has evaluated and accredited ten programmes. The relevant data is provided in Table 8.

**Table 8:** Summary of routine accreditation of agricultural colleges and Polytechnic of Namibia

Type of institution	No. of applications	Applications not tabled	Applications tabled	Not accredited	Accredited
Agric. Colleges	7	-	7	-	7
Namibia Polytechnic	3	-	3	-	3
<b>Total</b>	<b>10</b>	-	<b>10</b>	-	<b>10</b>
%	100%	-	100%	-	100%

### 5.5 Institutional Accreditation for Private Providers

On the basis of an analysis of institutional profiles, missions and scope of provision in the private provider sector, the HEQC Board has made modifications to the audit system. The HEQC Board decided on these modifications because the majority of private providers are small specialised organisations, all of which have been through an institutional accreditation process which would have furnished the HEQC with the requisite information on quality arrangements at an institutional level. For such providers, the audits would have been costly and time consuming without necessarily adding significantly to the information base on quality provision at such institutions. The HEQC

is of the view that such providers need to focus their primary attention on strengthening the quality of teaching and learning in their niche missions and programmes. Transitional arrangements are being made for small private providers identified for audit in 2005. Hence the existing institutional accreditation system will be strengthened and used to accredit new private providers.

### **5.6 Follow-up on Conditional Accreditation (Public and Private Providers)**

The HEQC has been accrediting programmes from HEIs since 1999. Some of these programmes have been accredited with conditions. As part of the accreditation process, the HEQC has embarked on a process of ensuring that institutions and programmes get full accreditation status. In doing this, the HEQC Secretariat has asked HEIs to provide the follow-up steps taken in order to move the status of these programmes from conditional to full accreditation. The steps and processes necessary to facilitate the move from conditional to full accreditation, including, where necessary, an HEQC site visit to verify compliance conditions, were determined by the HEQC depending on progress made by institutions in meeting requirements and/or conditions. This process was preceded by consultation with the Department of Education to ensure that the exercise does not fall outside the Programmes and Qualifications Mix (PQM) profiles of institutions, in the case of public HEIs.

In the case of private providers, 142 programmes from 33 institutions have been evaluated for compliance with conditions of accreditation. In some cases site visits were conducted to verify implementation of conditions of accreditation. Of the 142 programmes processed thus far, 52 programmes have been granted full accreditation and 90 programmes are still being evaluated for compliance.

In the case of public providers, 236 programmes were accredited with conditions. After receiving responses and progress reports from institutions, 198 programmes received full accreditation and decisions on 38 are still outstanding. All of the 38 programmes are from a merged institution, and these will need to be looked at in relation to consolidation of the institution's programme profile.

### **5.7 National Accreditation Database**

The HEQC is developing a synchronised database for accreditation, registration and approval of programmes and qualifications. This national database of accredited programmes up to 2004 has several purposes. It will provide the CHE and the HEQC with accurate information on the accreditation status and details of academic programmes submitted to the HEQC for accreditation since 2001 and their status before the launch of the HEQC in 2001. The availability of this information will allow the Monitoring and Evaluation Directorate to produce accreditation profiles of both public and private providers of higher education, which are essential in the development of institutional profiles. This information will further help the directorate in the preparation of trend analyses in programme development and the socio-economic responsiveness of higher education. The database will also provide the Accreditation Directorate with a complete series of data on accreditation, which will in the future interface with the online accreditation system and its databases. This will allow the Accreditation Directorate to produce accurate reports and statistics for its own internal reporting and to support decision-making at the level of the HEQC Accreditation Committee.

The database will contain information about the entrance requirements for accredited programmes which will be accessible to external users on the CHE website. This will contribute to one aspect of the quality assurance literacy campaign in the Quality Promotion and Capacity Development Directorate. The national database will be accessible on the CHE website by the end of December 2005.

### **5.8 Information Sharing Workshops**

The Programme Accreditation and Coordination Directorate has conducted regional information sharing workshops with all private and public HEIs. This was in addition to the internal workshop which the directorate held during February 2005. The aims of the workshops were to

- Prepare HEIs and HEQC staff for the HEQC's new accreditation system and to present the conceptualisation that underpins the system
- Enhance capacities, skills, competence and appropriate levels of comprehension among institutions in relation to accreditation instruments (policies, processes, procedures, criteria etc.)
- Share views on the new accreditation system, administrative mechanisms and other related activities
- Provide an overview of the role, functions and responsibilities of the HEQC and other stakeholders in the sector.

Nine scheduled regional workshops were conducted between mid-March and 15 April 2005 in Limpopo, the Western Cape, the Eastern Cape, the Vaal Triangle, KwaZulu-Natal, Gauteng and the Free State.

## **5.9 National Review of Professional and Academic Programmes in Education**

### *Rationale and process*

In 2004, the HEQC Board took a decision that, following the MBA review, the next national review conducted would be of selected professional and academic programmes in Education. The HEQC was guided by the following factors in selecting a programme area for the next national review:

- The quality of school leavers qualifying for higher education is dependent on the quality of teacher education, among other factors.
- The ability to implement school reforms depends on the quality of teachers, among other factors.
- Concerns have been expressed by the Department of Education and other stakeholders about the quality of teacher education provision in South Africa.
- There is a need on the part of the HEQC for evaluation criteria to facilitate judgements on new applications to offer teacher and other education programmes, especially from institutions that have not offered these before.
- The Department of Education requested in its *National Plan for Higher Education* that the HEQC should prioritise the review of the quality of postgraduate programmes. The development of the next generation of researchers in education depends to a large extent on the quality of such programmes.
- A considerable number of institutions are presently involved in mergers, which could have implications for the quality of teacher and other education programmes.
- The recent incorporation of former teacher education colleges into universities could have quality implications for these programmes.

The national review will entail

- A comprehensive evaluation of teacher and other education programmes at public and registered private HEIs in South Africa, in order to establish the extent, scope, relevance and quality of provision of such programmes.
- Evaluating and re-accrediting such programmes, in order to ensure that they meet minimum standards of quality.
- Improving the quality of teacher education provision in South Africa.
- Benchmarking teacher education in South Africa against international developments in this field.
- Developing a national improvement strategy for fostering excellence in teacher education and other education programmes.

The following programmes have been selected for the national review:

- Master of Education (MEd) in the area of Educational Leadership and Management (ELM). Institutions not offering this programme will have one of their MEd specialisations selected for the review. This will be decided on a case-by-case basis.

- Postgraduate Certificate in Education (PGCE)
- Bachelor of Education (BEd)
- Advanced Certificate in Education (ACE).

The review of the MEd (ELM) will be conducted in 2005. The rest of the programmes will be reviewed in 2006 and 2007. Linked to this review will be an improvement-oriented evaluation of mathematics and science education programmes. This evaluation will be conducted across the qualifications to be reviewed, and it will have no accreditation consequences. It will be aimed at improving the quality of mathematics and science education in the country while not negatively affecting mathematics and science education supply. In the case of programmes which have not been selected for the national review but fall within the discipline of Education, institutions will be expected to conduct self-evaluation portfolios and submit them to the HEQC. The HEQC will evaluate these programmes but will not attach an accreditation decision to them. Institutions will be informed of existing innovations in programmes that need to be reinforced and shortcomings that need to be addressed within a stipulated time frame.

### *Preparations for the National Review*

A framework document was developed to guide the process. This document can be viewed on the CHE website at [www.che.ac.za](http://www.che.ac.za). Given that existing data was not sufficient for planning purposes or to support the preparation of the report on the state of provision in this area, a baseline survey was designed by the HEQC and completed by providers of Education programmes. The data from the questionnaire was then used to inform the selection of programmes/specialisations to form part of the review.

In preparing for the national review, the HEQC embarked on an intensive consultation process with various stakeholders, a process which took about nine months. This consultation process has included deans of education, heads of education schools, the DoE, the Ministerial Committee on Teacher Education, the South African Council for Educators (SACE), the ETDP SETA and the Education Labour Relations Council (ELRC). These bilateral meetings culminated in a consultative workshop held on 20 October 2004 and attended by 104 delegates representing all the above-mentioned stakeholders and all associations of heads of HEIs, some of the provincial departments of education, trade unions representing teachers, some research agencies and NGOs involved in education policy development and research. The South African Qualifications Authority (SAQA) and, the Council for Quality Assurance in General and Further Education and Training (UMALUSI) were also part of this workshop.

The consultation process was concluded with 12 regional information-sharing meetings with students, academics, quality assurance managers, provincial departments of education and trade union structures in March 2005. Through these workshops, the HEQC managed to reach about 700 people in total.

The HEQC appointed a stakeholder advisory committee whose role is to provide strategic advice to the HEQC on the national review and report back to their organisations on progress made in relation to the national review. Briefing meetings have also been held with the Minister of Education and the Parliamentary Education Portfolio Committee.

### *Criteria development*

In November 2004, the HEQC appointed six task teams to develop criteria for the review of the following qualifications: Masters in Education (MEd), Postgraduate Certificate in Education (PGCE), Bachelor of Education (Hons), Bachelor of Education (BEd), National Professional Diploma in Education (NPDE) and Advanced Certificate in Education (ACE). As teacher education is mainly offered through a distance education mode, a seventh task team was appointed to develop criteria for distance education.

The HEQC decided to draw on the rich experience of academics teaching the above qualifications in the development of the criteria. It chose a regional participatory approach. This approach entailed



locating the development of criteria for each qualification in a region with an institution acting as a coordinator. The coordinating institution had the responsibility of inviting the participation of other institutions in the region to form the task team to develop the criteria for the identified qualification. Institutions had the opportunity to choose which qualification type they wanted to participate in. The details of coordinators are indicated in Table 9.

**Table 9:** Qualification type and coordinating institution

PROGRAMME	COORDINATING INSTITUTION
MEd	University of the Western Cape
BEd (Hons)	University of Pretoria
PGCE	University of the Witwatersrand
BEd (Foundation & Intermediate Phase)	University of Zululand
BEd (Senior & FET Phase)	University of the Free State
ACE	University of Fort Hare
NPDE	University of Venda
Distance Education	University of South Africa

The criteria development process by regional task teams was completed in March 2005 and draft criteria were submitted to the HEQC and presented to the deans of education. The HEQC then appointed a team to consolidate and harmonise the criteria. The criteria were released for public comment in May 2005.

#### ***Baseline survey questionnaire***

A draft baseline survey questionnaire was developed by the HEQC and comments from stakeholders were taken into account. The final version was sent to all HEIs offering Education programmes in November 2004. Institutions were given till January 2005 to complete the questionnaire and submit it to the HEQC. Only 26 institutions (23 public and three private institutions) offer professional and academic programmes in Education. An initial analysis of a sample of 17 institutions reveals that

- 88 228 students were enrolled for Education programmes
- There were 1 999 academic staff, of whom 874 are permanent
- There were 611 programme specialisations
- One institution had 29 different MEd specialisations
- One institution offered 127 programme specialisations in Education across the board
- In total there were about 180 sites of delivery.

The HEQC estimates that about 100 000 students are enrolled in teacher education and other education programmes in the country. This constitutes about 14% of the higher education student population. A national review in this area of provision has the potential to have a significant impact on higher education in addition to a longer term impact on schooling.

#### ***Next steps in the national review***

The following activities are under way in relation to the national review:

- The training of MEd programme evaluators. These are specialists who have been nominated by institutions, following a call for nominations from the HEQC in March 2005 for experts to evaluate MEd programmes and advise the HEQC on the quality of such programmes.
- An information-sharing workshop with institutions to guide them in preparing self-evaluation portfolios
- Submission of MEd (ELM) and MEd (Mathematics Education) and MEd (Science Education) portfolios

- A preliminary desktop analysis of portfolios submitted to determine lines of enquiry and prepare for site visits
- Two-and-a-half-day site visits for the MED (ELM) by teams of evaluators nominated by institutions and trained by the HEQC
- Appointment by the HEQC Board and meeting of the Accreditation Committee consisting of education specialists who will determine the consistent application of criteria and make recommendations to the HEQC Board
- Communication of Accreditation Committee recommendations to institutions, giving them 21 days to make representations to the HEQC
- Final decision-making by the HEQC Board after consideration of self-evaluation portfolios from institutions, reports of evaluators and responses from institutions
- Notification of the institutions and the public on the results of the MED national review
- Submission of compliance reports by institutions granted accreditation with conditions for their MED programmes
- Submission of plans for dealing with pipeline students by institutions which receive withdrawal of accreditation for their programmes
- Production of a national report on the state of the MED provision.

### 6 COORDINATION

#### 6.1 Memoranda of Understanding (MoUs)

One of the main objectives of the *National Qualifications Framework (NQF)* is to create 'a single, integrated national education and training framework for the whole nation' (SAQA, 2000:4) which will benefit learners in many respects. The *Education White Paper 3: A Programme for the Transformation of Higher Education (1997)* underlined these objectives as central to the transformation of higher education. These goals will be unattainable in higher education if there are more than 70 bodies involved in quality assurance, all with different and often conflicting requirements and criteria. As a band ETQA with coordinating responsibilities, the HEQC has embarked on a programme of action aimed at fostering a common approach to quality assurance in higher education.

Between April 2004 and March 2005, this programme of action involved arranging workshops with professional councils, SETAs and HEIs. The aim was for the various bodies to share their quality assurance systems and for HEIs to outline the implications of meeting dissimilar quality assurance requirements in terms of costs and developing appropriate institutional quality management systems. The emerging issues are also discussed at the ETQA Forums in which the HEQC participates.

The HEQC has invited quality assurance managers and evaluators from professional councils and SETAs to participate in its auditor and evaluator training workshops. It has planned several evaluator training workshops for SETA quality assurance managers and participants from professional councils.

The HEQC has operated on the basis that the signing of MoUs should be preceded by a system of sharing information about quality assurance systems and ensuring that there is general agreement among the different bodies involved in quality assurance in higher education. There have been many external and internal factors which have delayed the signing of MoUs. In the external context, there have been issues of legislative conflicts between the different bodies. Internally, the HEQC had to first finalise its programme accreditation criteria which were published in November 2004 (*HEQC Criteria for Programme Accreditation*). These criteria will form the basis for signing MoUs in order to delegate quality assurance responsibilities to organisations that meet the necessary requirements.

During this period, nine bodies made requests for MoUs. The HEQC has held meetings with each of these bodies to agree on the way forward regarding MoUs and, in certain cases, discussions on what needs to be strengthened in respect of their quality assurance systems to enable the HEQC to consider delegating quality assurance responsibilities to them.

Five of the nine bodies mentioned above have agreed to align their criteria with those of the HEQC. Two have requested the assistance of the HEQC in doing so. Further discussions are in progress with the other two bodies. The broader aim of this collaboration is to develop a common approach to quality assurance in order to move towards a single, coordinated system of higher education. In addition, the HEQC has approached two coordinating professional councils with a view to developing MoUs – one in the built environment and related fields and the other in the health professions fields. This arrangement will obviate the necessity for including MoUs with each of the 18 councils that are members of the two umbrella councils.

The following activities are planned to take place in the near future in this area of work:

- Conclusion of discussions with organisations that have approached the HEQC
- Consideration of requests for MoUs by a subcommittee of the HEQC Board
- Actual signing of MoUs.

### **6.2 Quality Assurance Functions Delegated to Higher Education Institutions**

The HEQC is required to report to SAQA on how its constituent providers quality-assure the following areas:

- Recognition of Prior Learning (RPL)
- Assessor Training and Development
- Moderation of Assessment
- Certification Arrangements
- Short Courses.

The HEQC indicated to SAQA and to providers its intention to delegate responsibility to institutions for quality management in these areas. Between April 2004 and March 2005, the following activities took place in this area of the HEQC's work:

- Policies and procedures for quality assurance in these areas submitted by institutions were evaluated by a group of experts appointed by the HEQC.
- All institutions received feedback on their individual submissions.
- A report on quality management in these areas was produced and disseminated to all institutions.
- The HEQC arranged five regional workshops to report back to institutions on the HEQC's findings on quality management systems in these areas of delegation, to share good practice in these areas of delegation and to discuss challenges faced by institutions in implementing quality management systems for the five areas of delegation and to discuss any future plans.
- Submission of improvement plans by institutions in the light of their individual feedback and the report on quality management in these areas.

The following activities are planned:

- Submission of progress reports by institutions
- Evaluation of these by the HEQC
- Scheduling of site visits to institutions to verify the effectiveness of their quality management systems in relation to the delegated areas
- Consideration of site visit reports by a subcommittee of the HEQC Board and recommendations to the HEQC Board
- Decision-making by the HEQC Board regarding delegation of these areas to institutions
- Production of good practice guides. The first guide, which is nearing completion, is a Guide to Good Practice on the Quality Management of Short Courses. This Guide will locate the quality management of short courses in a broader continuing education perspective.

7 INSTITUTIONAL AUDITS DIRECTORATE

In the period under review, the chief activities of the Directorate included the preparation for and conduct of the audit programme for 2004, work on the audit reports from the 2004 audits, preparations for the 2005 audits, further systems development activities, and the commissioning of follow-up impact research at two of the 2003 pilot institutions. Activities of the Directorate also included international visits to India, New Zealand and Australia by senior staff members of the Directorate to gain knowledge of their QA systems.



**HEQC Directorate:  
Institutional Audits**

*(from left to right):*

- Helen Mohlala (*Clerk*)
- Dr Rob Moore (*Director*)
- Pearl Maqubela (*Secretary/Administrator*)
- Dr Mark Hay (*Manager*)
- Christelle Visser (*Project Administrator*)

***Inset:***

Innocentia Mabuela (*Project Administrator*)

**7.1 Audit Programme, 2004**

In September and October 2004 the Directorate carried out four audits using approaches and criteria which had been revised after the 2003 pilot audits (see Table 10.) Feedback received from the institutions which were audited suggests that the conduct of the exercise was relatively well-received. In these audits one auditor in each team was appointed to write a pre-audit analysis of the portfolio and the first draft of the audit report. The final audit reports for the four institutions have now been finalised and sent to the institutions concerned. A review of the 2004 audits was conducted in November 2004, and insights from this review are being used to fine-tune arrangements for the 2005 audits. Further, a review of the 2004 audit report-writing activities took place in March 2005 and insights from this are being used to inform the 2005 report-writing activities.

**Table 10:** Audits conducted by the HEQC between April 2004 and March 2005

Name of HEI audited by the HEQC	Dates of the audit visit	Type of institution
Central University of Technology, Free State	18 – 22 October 2004	Public HEI
Management College of Southern Africa (MANCOSA)	30 August – 3 September 2004	Private HEI
Oval International Computer Education	13 – 16 September 2004	Private HEI
City Varsity Film & Television and Multimedia School	5 – 8 October 2004	Private HEI

**7.2 Audit Programme, 2005**

All institutions scheduled for full audits in 2005 were informed and initial visits to these institutions have been undertaken. Detailed arrangements for the conduct of these audits are under way.

**7.3 Provisional Schedule of Audits for the First Cycle (2004–2009)**

The Directorate has compiled a provisional schedule of audits for the first cycle (2004–2009) that accommodates the requirement to audit both public and private institutions. During this cycle, all public HEIs will be audited in full according to the HEQC *Framework for Institutional Audits*. However, the Directorate has developed a differentiated approach to the audit of private higher education providers, in order to optimise the use of the HEQC’s resources and to avoid unnecessary

duplication of evaluation activities. In terms of this differentiated approach, large private providers and private providers offering postgraduate qualifications will be audited. Small private providers will not be audited in this audit cycle; instead the HEQC will rely on the processes of institutional accreditation to ensure that such providers have adequate quality management arrangements in place. A process to identify private providers to be audited under the terms of this approach has been completed, and institutions are being informed accordingly.

#### **7.4 Evidence Tables for Audit**

Considerable work on the evidence requirements for audit was completed in late 2004. This included a consultative process involving institutions to be audited in 2005 to test the data and evidence requirements that those institutions will be required to fulfil in the course of the audits. It is anticipated that this work will be completed in 2005, and the results will be used to inform both the revised Institutional Audit Manual and the online system currently being developed.

#### **7.5 Developing an Online System for Audit**

An online audit submission and administration system is under development for the Institutional Audit Directorate, following the recent development of such a system for the Accreditation Directorate. The Audit staff is currently collaborating with staff from the Monitoring and Evaluation Directorate to design the system. It is anticipated that the online system for controlling audit workflows will be available for piloting with the 2006 audits, and that an online submission system will be developed subsequently.

#### **7.6 Post-Pilot Follow-up Research**

The Directorate commissioned an experienced researcher to conduct follow-up research at the pilot institutions to assess the impact of the pilot audit activities one year after the audit visits. Data-gathering was conducted at two of the pilot institutions and the final report has been submitted to the Directorate. Information from the report has been used to inform the ways in which institutions are prepared for audit and will inform other capacity-building activities (led by the Quality Promotion and Capacity Building Directorate) aimed at strengthening institutional capacity to respond to audit reports.

#### **7.7 Report Writer's Manual**

One of the most challenging tasks facing the Directorate is the production of high-quality audit reports. This will require an expanded pool of report-writers, who will need to be carefully trained and supported in their task. The Directorate has commissioned an experienced consultant, who has assisted the Directorate in the drafting of the audit reports, to prepare an audit Report Writer's Manual. The manual will provide report writers with relevant information about the HEQC conventions, content areas and technical requirements for the drafting of the audit report. It is anticipated that the manual will go through several drafts in 2005 as the approach to report-writing and the conventions to be used are finalised.

#### **7.8 Training of Audit Panellists, Audit Chairpersons and Audit Report Writers**

In collaboration with the Quality Promotion and Capacity Development Directorate, a total of six auditor training workshops were conducted in May, August and November 2004 and March 2005. Two further workshops to train audit panel chairpersons and those asked to assist the HEQC in drafting the audit reports were held in July 2004.

#### **7.9 The Institutional Audit Committee**

The HEQC Board has provided for the establishment of an Institutional Audit Committee whose role will be, on behalf of the Board, to scrutinise the Audit Report before it is sent to the institution for an accuracy check. The final draft is approved by the full Board. As provided for in the terms of reference of the Audit Committee, members of the Committee will come from the Board as well as from the higher education sector.

### 7.9.1 Regional Workshops

In May 2004, five regional workshops were held to inform institutions about revisions to the audit process and the audit criteria which were finalised after the experience of the pilot audits in 2003. The regional workshops were well attended, with representatives from 89 institutions (public and private) participating.

### 7.9.2 Audit Manuals

In June 2004, the Directorate released the revised and final versions of the *Framework for Institutional Audits* and *Criteria for Institutional Audits* documents (updated in the light of the experience of the 2003 pilot audits), and copies of these were distributed to public and private institutions. The draft *Institutional Audit Manual* and the draft *Auditor Manual* were also revised in June 2004 and circulated to auditors and institutions to be audited. The manuals will be finalised once the online audit submission system has been successfully implemented.

### 7.9.3 Audit Regulations

The Directorate has drafted regulations pertaining to audit for consideration by the Board, with a view to their being gazetted in due course. These regulations will give legal weight to the key features of the audit process by the Minister of Education. It is intended that the regulations will be finalised in the course of 2005.

## 8 QUALITY PROMOTION AND CAPACITY DEVELOPMENT DIRECTORATE

The Quality Promotion and Capacity Development (QPCD) Directorate has three broad areas of responsibility:

- **Preparation of institutional auditors and programme evaluators** in support of the national audit and accreditation systems of the HEQC
- **Quality Promotion:** to institutionalise a quality culture in higher education and a commitment to continuous improvement
- **Capacity Development:** to build and enhance the capacity of quality assurance systems at HEIs in order to improve the quality of provision at systemic, institutional, programme and individual level.

One aim for the Directorate in the period covered by this report was to address the above areas systematically through collaborating with relevant stakeholders. A range of projects has been initiated in this regard. Another aim was to find ways of using resources effectively by addressing several needs through a particular activity. Evaluator and auditor preparation, for example, is designed to meet the needs of the HEQC's national QA systems, as well as to build institutional capacity.



### HEQC Directorate: Quality Promotion and Capacity Development

(Fltr):

Nikki Groenewald (*Project Administrator*)

Dr John Carneson (*Head of Training*)

Thabisile Dlomo (*Manager*)

Alphios Sibuyi (*Clerk*)

Barbara Morrow (*Manager*)

**Inset:**

Dr Prem Naidoo (*Director*)

### 8.1 Institutional Auditor Preparation

The HEQC system of institutional audits requires a pool of relevant peers and experts who can arrive at sound judgments based on evidence and the HEQC's criteria. For the period 1 April 2004 to 31 March 2005 the Directorate held a total of six auditor preparation workshop to train 185 potential auditors for the HEQC's audit system. The programme for these workshops was developed and presented collaboratively with the Institutional Audit Directorate. Participants were drawn mainly from public and private HEIs.

**Table 11:** Auditor preparation workshops

Dates	Number of participants
12 – 13 May 2004	34
18 – 20 May 2004	25
25 – 27 August 2004	25
November 2004	31
November 2004	35
14 – 16 March 2004	35

Some of the above workshops were attended on request by international participants from the Polytechnic of Namibia, Botswana, Mauritius, India and Finland.

The structure of the workshops follows the actual steps of audit as closely as possible. Auditors thus increase their understanding of the process of compiling the self-evaluation portfolio by the higher education institution, reading and analysing the portfolio by the audit panel, the audit visit, and writing the audit report. Throughout, the workshop programme aims to sustain a sense of balance between the external-evaluative and developmental aspects of audit. Structured participant feedback showed a high level of appreciation of the workshops.

Workshops for audit panel chairpersons and report writers were held in July 2004. Since the inception of the audits, it has been recognised that panel chairpersons need to be identified, and prepared for their responsibilities. It has also become increasingly clear that the role of the report writer is critical to the quality of the final report; hence a dedicated preparation programme was developed.

### 8.2 Programme Evaluator Preparation

The QPCD Directorate, in collaboration with the Accreditation Directorate, completed the planning to develop a pool of programme evaluators. As in the old system, the new programme accreditation system introduced in November 2004 depends on panels of expert peers who can make evidence-based judgements against HEQC criteria. The evaluator preparation programme was piloted in September 2004 and February 2005 and a number of experienced evaluators are being used as facilitators. A national workshop was held in March 2005. The model adopted for the nine remaining workshops in 2005 is to request universities to host them, with twenty places reserved for the staff of the host institution. This will build capacity at institutional level as well as enlarge the pool of potential evaluators. All participants are selected according to HEQC guidelines.

Workshops were also planned to prepare evaluators for distance education programmes, in collaboration with the National Association of Distance Education Organisations of South Africa (NADEOSA) and the South African Institute of Distance Education (SAIDE).

### 8.3 Improving Teaching and Learning for Success Project

The aim of the project is to improve the quality of teaching and learning at HEIs and to improve student success rates. The project operates on three levels: systemic, institutional and individual. The main focus in the first phase of the project was to collaborate with practitioners in developing

a set of resources for improving teaching and learning. The resources were also used to inform the development of HEQC audit and accreditation criteria. Draft copies were circulated in 2003 at regional workshops and have been used at different institutions in various ways:

- Informing the further development of internal quality management systems, such as improving instruments for programme or departmental reviews
- As a resource for academic planning and for developing teaching and learning strategies
- Informing policy and systems review, such as relating to assessment or admissions
- As a resource for staff development and reflection
- As a resource for programme design and development
- As a means of sharing good practice within and between institutions
- Facilitating discussion of teaching and learning, for example between academic managers, lecturers and academic services, or within a particular discipline.

Practitioners based at universities of technology and private HEIs were commissioned to strengthen the resources in respect of those sub-sectors. In March 2005 the final version was sent to the printers and the resources were placed on the CHE website. By June 2005 they will be distributed to HEIs in text form and on CD. The resources will be evaluated and further developed on an ongoing basis.

The second phase of the project is a programme of at least three years' duration which will be launched in 2005 to improve student throughput and success. The Centre for Higher Education Development (CHED) at the University of Cape Town has been commissioned to support the project. In 2005 the CHED will undertake research into throughput and success patterns with a view to informing improvement strategies at institutional and national levels. The results will be presented at a national meeting for senior managers of HE in the second half of 2005. The project will also include a range of specific capacity-building initiatives, beginning with workshops on improving the design and delivery of foundation and extended curriculum programmes.

#### **8.4 HEQC Quality Managers' Forum**

The HEQC convenes a forum twice a year for quality assurance managers from public and private HEIs. The purpose of the Forums is to facilitate debate on key quality issues, share experiences and disseminate information. In respect of public institutions, the Forums were coordinated with the relevant activities of the CTP and SAUVCA whose representatives attended the Forums. Representatives of regional consortia of HEIs also attended. In the case of the private HEIs the Association of Private Providers of Education, Training and Development (APPETD) was consulted and participated in the Forums. In April and November 2004 a total of 78 quality managers from the Universities and Technikons and 85 managers from 112 private HEIs attended the Forums.

#### **8.5 Student Quality Literacy Project**

The project aims to provide students with the knowledge, skills and tools to enable them to engage effectively in quality promotion and in decision-making processes where quality assurance issues are discussed at HEIs. In this project two categories of students are targeted and for each of these categories a different set of activities is outlined. The first category consists of students who are still to enter higher education (prospective students) and the second of currently registered undergraduate and postgraduate students. Project activities are planned to intensify in 2005.

- ***Prospective students***

The main activity for this category of students has been the information campaign. This campaign involves disseminating HEQC advocacy material and quality literacy material using the printed media. In the first phase, national publications such as the *Mail & Guardian* and *The Teacher* have carried articles, and supplements and posters have been distributed to schools.

- ***Current students***

In 2004 the project was formally introduced to national student representatives, quality assurance managers and deans of students at several national forums. These included the South African Student's Congress' (SASCO), national General Councils, a national Student Representative Council summit, a Deans of Students conference, and a national consultative conference for SRCs.



Capacity building in this project started with a two-day workshop for student development officers held at the University of the Western Cape on 29 and 30 March 2005. Other capacity-building initiatives which will take place later in 2005 are workshops with institutional SRCs and quality managers.

In early 2005, the HEQC established a project reference group of deans of students, quality managers, the two national students' unions, the South African Technikons Student Union (SATSU) and the South African University Student Representative Councils (SAUSRC), the National Association of Student Development Officers (NASDEV) and a DoE representative. The project will also draw on a base line survey commissioned by the HEQC in March 2005, on current student participation in quality assurance at HEIs.

### **8.6 The Quality Systems Restructuring Project**

The HEQC has initiated a multidimensional project to ensure that the current restructuring of public higher education is accompanied by appropriate attention to quality issues in the emerging higher education landscape. The HEQC is using donor money from a grant by the Finnish government to the DoE, as well as its own resources, to support this project.

The project deals with the institutionalisation of the internal quality assurance systems of merged and historically disadvantaged institutions (HDIs), in order to enable them to respond more effectively to the HEQC's audit and accreditation systems, and to move towards an increasing measure of self-regulation. Grants will also be allocated on a competitive basis to the remaining public institutions for plans submitted to the HEQC for the improvement of the quality of teaching and learning, and to departments within institutions for innovation plans developed for quality improvements in any of the core functions.

In order to initiate the project and to ensure that quality issues are explicitly inserted into institutional planning, visits were undertaken by the HEQC to all merged institutions and HDIs.<sup>1</sup> Following the visits to some institutions in 2004 (UNISA, Tshwane University of Technology, North-West University, and the University of KwaZulu Natal), the following institutions were visited in 2005:

- University of Limpopo (31 January 2005)
- University of Venda for Science and Technology (1 February 2005)
- University of Fort Hare (9 February 2005)
- University of Zululand (15 February 2005)
- University of Johannesburg (18 February 2005)
- Cape Peninsula University of Technology (24 February 2005)
- Nelson Mandela Metropolitan University (25 February 2005)
- Durban Institute of Technology (3 June 2005)
- Mangosuthu Technikon (3 June 2005)

The visit to the Walter Sisulu University for Technology and Science is scheduled for later in 2005.

The initial visits have been followed up by discussions with individual institutions on how the programme will unfold at their institution, for example the establishment of an institutional project team, the funding available for freeing up part of the time of a senior academic to collaborate in the project and for the appointment of a researcher, transfer arrangements for funds, possible workshops, etc. Owing to the variety of institutions in the project, differences in merger dates and differences in the pace of the merging processes, etc., institutions were encouraged to make proposals to the HEQC regarding alternative ways of using the available funding, on the condition that it is used within the broad parameters of the project as indicated in the HEQC's guidelines.

The HEQC has also developed guidelines to assist merged institutions and HDIs in the development/refinement of their quality management systems and in preparation for the HEQC's audit and accreditation requirements. The guidelines suggest a number of developmental phases

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<sup>1</sup> For the purposes of the project, HDIs include institutions which are historically disadvantaged, but which do not form part of merged institutions, viz. the Universities of Venda, Fort Hare, Zululand and the Western Cape, as well as Mangosuthu Technikon.

with attached time frames, such as the development of an institutional quality plan, an analysis and review of existing institutional quality management systems and quality arrangements for academic programmes, and the development and implementation of a detailed Implementation Plan.

The HEQC has embarked on a number of quality promotion and capacity development activities as part of the project. In 2004, two national workshops were held for participants from merging and merged institutions. The workshops provided an opportunity for the identification of quality-related challenges in a number of specific areas, such as pipeline students, managing quality equivalence across multiple sites of delivery, and developing a new academic programme structure. A series of national workshops was planned for 2005 on issues of general interest, as well as institutional workshops at the request of individual institutions.

The QPCD Directorate initiated a number of projects and activities in the period 2004–2005 in support of quality promotion and capacity development:

- ***University librarians***

As part of its collaboration with academic support service organisations on quality related issues, the HEQC is assisting the Committee of Higher Education Librarians in South Africa (CHELSA) to produce a guide to good practice and a protocol for self-evaluation and peer review.

- ***Distance education project***

The HEQC Board has identified the improvement of quality of distance education programmes as a priority over the next three to five years. The HEQC Secretariat has held ongoing discussions with the National Association of Distance Education Organisations of South Africa (NADEOSA) and the South African Institute for Distance Education (SAIDE) to put this priority into effect. These discussions have resulted in a multi-purpose project shared by these organisations. Deliverables include co-hosting a seminar and producing a guide on institutional readiness to provide higher education through distance methods, providing distance education-related training, providing training materials for programme evaluators and audit panellists, and providing expert input into preparations for the national review of teacher education.

- ***The development of generic standards for the NQF Level 5 qualifications project***

This HEQC-initiated project is supported by the DoE, SAQA, SAUVCA, CTP and APPETD. It involves critically examining standards of existing Level 5 qualifications and their generic Level 5 descriptors and if need be will propose for discussion new generic level descriptors for these qualifications. These new proposed descriptors will be used to develop exemplar Level 5 programmes in four different fields of learning relating to both career and formative qualifications. A working group of experts has been constituted, chaired by Professor John Cooke of the University of KwaZulu Natal.

- ***Vocational HE project***

The aim of this project is to improve the quality of vocational education programmes and qualifications by enhancing the articulation of vocational qualifications with career pathways and formative education, and to enhance the quality of work-integrated learning. The project is coordinated by the CTP. Phase 1 of the project focuses on curriculum design and the development of model vocational education programmes. These programmes will be piloted nationally. Phase 2 focuses on good practice guidelines for developing a vocational education learning programme. A joint working group and regional working groups have been established and all groups met in October 2004 to review progress and to plan the work.

- ***Guide to Good Practice for Quality in Research Management***

This Guide is the outcome of collaboration between the HEQC and the Centre for Research on Science and Technology (CREST) at Stellenbosch University and senior managers responsible for research at HEIs. The guide will be published on the CHE website in mid-2005 and will be circulated in print form to all HEIs.

- ***Community engagement project***

In institutional audits, quality issues related to community engagement form part of the HEQC's focus. This project, in collaboration with the Joint Education Trust (JET), aims to promote quality, share good practice and build capacity in the area of community engagement, which includes

service learning. A reference group has drafted a Guide to Good Practice in Service Learning that will be published in August 2005. Other outcomes of the project planned for 2005–2006 will be regional capacity-building workshops, a publication on the engaged university, and a national conference with international participation on the broader notion of quality in community engagement.

- **HEQC seminar programme**

The purpose of the HEQC's occasional seminars is to provide the higher education community with opportunities to engage with issues of shared interest with a range of experts from South Africa and abroad. Four seminars were held in August and October 2004. These seminars were on strategies for improving teaching and learning, monitoring teaching and learning effectiveness, community engagement in higher education, and the University of Technology. Participants included Professor Brenda Smith of the Higher Education Academy in the UK, and Professor Geoff Scott of the University of Western Sydney, Australia. The proceedings of these seminars were widely circulated. On 9 March 2005 the HEQC held a seminar on *International Trends in Higher Education Quality Assurance: Some national perspectives*. Participants included Professor V S Prasad (Director: National Assessment and Accreditation Council, Bangalore, India), Peter Williams (Chief Executive: Quality Assurance Agency, UK) and Dr Mala Singh (Executive Director: HEQC).

## **9 DEVELOPMENT OF A MANAGEMENT INFORMATION SYSTEM FOR THE HEQC**

Since the beginning of 2002 the HEQC has set up a team to develop a management information system (MIS) capable of supporting the implementation of the different aspects of the HEQC quality assurance system at a national level: accreditation of programmes, institutional audits, and capacity development and promotion.

The MIS has five main objectives:

- To allow HEIs to submit documentation to the HEQC's relevant directorate online, thus accelerating and making more effective the various tasks involved in processing accreditation applications and audit portfolios
- To provide a project management, workflow and reporting system for the management of work of the three HEQC directorates that will allow for efficient and effective processing of applications and conduct of tasks within processes, permanent improvement of internal processes, and easy retrieval of documentation generated in the work of the three HEQC directorates
- To provide appropriate interfaces with the CHE Monitoring and Evaluation Directorate that will allow for the storage and analysis of system level data and the identification of areas and issues that need to be researched
- To provide external interfaces with the DoE and SAQA
- To provide a portal online to support the work of evaluators and auditors.

During 2004 the MIS Task Team presented to the HEQC the three different components of the *HEQC-ONLINE* accreditation sub-system:

- The online application form to be used by HEIs that wish to apply for accreditation
- The evaluators' portal – an evaluation form online that can only be accessed by authorised evaluators. Here, evaluators fill in an evaluation form which mirrors the application in its conceptualisation. This space creates the possibility of having virtual evaluators' meetings.
- The internal workflow, based on the detailed analysis of the workflow staff, will follow with the implementation of the new accreditation system.

All three components have been piloted with HEQC staff, a group of HEIs that have agreed to take part in the exercise, and a number of programme evaluators. Based on the inputs received the developers are finalising the system, which is scheduled to be operational by mid-2005.

The next step in the development of the MIS will be the design of the Audit sub-system.

The development team is composed of four external IT experts (programmers, designers and a project manager) and a CHE senior manager who takes care of the system analysis and design.

### 1 CONFERENCES

In accordance with its mandate to contribute to the development of HE, the CHE initiated or was involved in convening the following conferences:

- **Colloquium on Ten Years of Democracy and Higher Education Change**  
In place of its annual consultative conference, the CHE in association with SAUVCA and the CTP hosted a colloquium on the *Ten Years of Democracy and Higher Education Change* on 10–12 November 2004 at Glenburn Lodge Country Estate in Muldersdrift, Johannesburg.
- **GATS and WTO**  
The CHE partnered the AAU, CODESRIA and UNESCO in a successful conference on 27–29 April 2004 in Accra, Ghana on *The General Agreement on Trade and Services (GATS) and the World Trade Organisation (WTO) and Higher Education*.

### 2 CHE DISCUSSION FORUMS

One CHE Discussion Forum was held for HE leaders, policy makers and researchers on *The Role of Private Higher Education in South Africa* on 15 July 2004 at the Faculty of Education (Groenkloof Campus) of the University of Pretoria. The speakers were Dr Glenda Kruss (HSRC), Prof. Dolina Dowling (Bond SA) and Dr Lis Lange (CHE). Some 80 people attended the forum and an animated discussion followed the speakers' presentations.

This sixth Discussion Forum followed previous ones on 'Key Global and International Trends in Higher Education: Challenges for South Africa and Developing Countries' (Prof. Philip Altbach); 'Globalisation, National Development and Higher Education' (Prof. Manuel Castells); 'A Decade of Higher Education Reform in Argentina' (Dr Marcela Mollis); 'Tertiary Education in South Africa – A Lover's Complaint' (Prof. Bob Wolff); and a conceptual critique of the Consultative Document, 'An Interdependent National Qualifications Framework System' (Emeritus Prof. Michael Young).



### 3 CHE WORKSHOPS AND SEMINARS

- A national seminar was held in February 2005, to discuss provider readiness to offer distance education. The keynote speaker was Prof. Roger Mills, formerly of the UK Open University and now Senior Research Associate, St Edmund's College, Cambridge.
- A national seminar was convened on 9 March 2005 under the theme *International Trends in Higher Education Quality Assurance: Some National Perspectives*. Invited participants included senior HEI academic managers, quality assurance managers and representatives of stakeholder organisations. Presentations were made on: 'Accreditation of Higher Education

Institutions: The Indian experience' (Professor Prasad, Director: National Assessment and Accreditation Council, Bangalore, India); 'Meeting the Need, Reducing the Load: Quality Assurance for the Longer Term in the UK' (Peter Williams, Chief Executive: Quality Assurance Agency, UK); and 'The South African Quality Assurance System in Higher Education: A comparative perspective' (Dr Mala Singh: Executive Director, HEQC). The presentations were followed by extensive discussion.

#### 4 CHE PUBLICATIONS

In accordance with its mandate to contribute to the development of HE through publications, the CHE and HEQC produce a range of publications – Research Reports, Policy Reports, Policy Advice Reports, Policy Documents, Discussion Documents, Occasional Papers, Conference Reports, Newsletters, Kagisano, the CHE's Higher Education Discussion Series and Organisational Brochures. In addition, when necessary, the CHE also issues Press Releases.

The following publications were produced during the past year:

##### **Research Reports**

- *South African Higher Education in the First Decade of Democracy* (November 2004)
- *Considerations on the Designation and Nomenclature of Higher Education Institutions* (November 2004)
- *Enhancing the Contribution of Distance Higher Education in South Africa* (September 2004)
- *The Governance of Merger in South African Higher Education* (August 2004)

##### **Policy Advice Reports** (Approved by the Minister of Education for Public Release)

- *CHE Advice to the Minister of Education on Aspects of Distance Education Provision in South African Higher Education*, 15 March 2004 (Released March 2005)

##### **Discussion Documents**

- *Improving Teaching and Learning (ITL) Resources* (March 2005)
- *Framework for Programme Accreditation* (November 2004)
- *Criteria for Programme Accreditation* (November 2004)
- *Framework for Institutional Audits* (June 2004)
- *Criteria for Institutional Audits* (June 2004)
- *Towards a Framework for the Monitoring and Evaluation of South African Higher Education – Discussion Document* (April 2004)
- *Proposed criteria for the HEQC's first cycle of audits: 2004–2009* (March 2004)

##### **Higher Education Monitor**

- *The State of the Provision of the MBA in South Africa* (No. 2, October 2004)

##### **Conference Reports**

- *Report on the Colloquium on Ten Years of Democracy and Higher Education Change* (10–12 November 2004)

##### **Annual Reports**

- *Annual Report 2003/2004* (August 2004)

##### **Newsletters**

- *CHE News No. 8* (November 2004)
- *CHE News No. 7, Special Issue* (May 2004)

A complete list of all CHE publications since its inception can be found on page 78) under 'CHE Media'. The CHE website – [www.che.ac.za](http://www.che.ac.za) provides electronic versions of all CHE publications.

### 5 ADDITIONAL ACTIVITIES

There were also a number of additional activities. These included:

- **Participation in the Committee of Heads of Research and Technology (COHORT)**

The CHE is an active member of COHORT, an important forum that regularly brings together all the heads of science and research councils, national higher education organisations (CHE, Higher Education Branch of the DoE, SAUVCA and CTP) and the Ministry of Arts, Culture, Science and Technology to discuss matters of science and technology, policy and development, and strategies for addressing challenges in these regards. The CHE CEO serves on the Executive Committee of COHORT.

- **External conferences, seminars, workshops and interviews**

The Chief Executive Officer (CEO) of the CHE, the HEQC Executive Director (ED) and other senior staff of the CHE and HEQC addressed and represented the CHE at numerous regional, national and international seminars, workshops and conferences of stakeholders, HE and HE-related organisations, and HEIs.

The list below provides an overview of the CHE CEO's addresses, presentations and/or interviews.

- Presentation: *On the Question of the 'Visibility' of Universities in the Intellectual and Cultural Discourse of South African Society*, 'think-piece' for the Meeting of the President's Higher Education Working Group, Union Buildings, Pretoria, 31 March 2005
- Participation in SABC TV programme, *Roundtable*, screened on 24 March 2005
- Input: *South African Higher Education Institutions in the Second Decade of Democracy: Critical Issues and Challenges*, UNISA VC's meeting, UNISA, 12 March 2005
- Presentation: *South African Higher Education Institutions in the Second Decade of Democracy: Critical Issues and Challenges*, Wits Leadership Programme, Waterberg, 5 March 2005
- Presentation on *The Council on Higher Education and Steering and Institutional Autonomy in South Africa*, CHET Seminar, Cape Town, 2 March 2005
- Interview for feature article in *Pretoria News*, Pretoria, 16 February 2005
- Background paper and presentation on *From Innocence to Critical Reflexivity: Critical Researchers, Research and Writing, and Higher Education Policy Making*, UNESCO Forum on Higher Education, Research and Knowledge Colloquium on Research and Higher Education Policy: 'Knowledge, Access and Governance: Strategies for Change', Paris, 1-3 December 2004
- Comments on Panel at DAAD workshop, *Transformations in South African Higher Education and Academic Exchange with Germany*, Rosebank Hotel, 4 November 2004
- Address to SAUVCA/CTP HELM workshop, *15 Propositions on the Critical Issues and Challenges Facing South African Higher Education Institutions in the Second Decade of Democracy*, Kiewiets Kroon, 17 October 2004
- *Address on Receipt of an Honorary Doctorate from the University of Free State in Recognition of 'Outstanding Achievements in the Shaping of Policies and Practices of the Higher Education Environment'*, University of the Free State, 14 October 2004
- Address to CEPD AGM, *'Left' Researchers and Research and Writing for Policy Making*, Rosebank Hotel, 6 October 2004
- Address to SRC Summit, *The Student Movement and the Key Challenges of Transforming South African Higher Education in the Second Decade of Democracy*, University of the Witwatersrand, 24 September 2004
- Address to Rhodes University Executive Management Bosberaad on *15 Propositions on the Critical Issues and Challenges Facing South African Higher Education Institutions in the Second Decade of Democracy*, Mpekweni Sun Hotel, Eastern Cape, 23 July 2004

- Opening Comments at the Harold Wolpe Memorial Trust Annual Lecture on *Harold Wolpe: Some Significant Contribution*, Old Fort, Constitution Hill, Johannesburg, 22 July 2004
- Keynote address at Medical University of South Africa (MEDUNSA) Dental Science Attestation Ceremony on *Dental Science Graduates and the Reconstruction, Development and Transformation of South Africa*, 25 June 2004
- Keynote Address to the First Biennial Foundation of Tertiary Institutions of the Northern Metropolis (FOTIM) International Quality Assurance Conference on *Quality Assurance, Higher Education and Social Transformation: The Governance of Quality and the Quality of the Governance of Quality*, TSA Conference Centre, Johannesburg, 23 June 2004
- Keynote address to Grassroots Imbizo, Peninsula Technikon, Bellville, 29 May 2004
- Address *Writing for Policy Makers* to SANPAD Workshop on Alternative Research Dissemination Strategies, Elangeni Hotel, Durban, 21 May 2004
- CHE staff development seminar presentation on *Policy and Higher Education Policy*, Pretoria, 20 April 2004

The CHE CEO, the HEQC ED and the CHE Director: Monitoring and Evaluation all participated as guest lecturers in the Masters programme in Higher Education Policy, Management and Administration offered by the University of Western Cape.

- **Current (2005) CHE International Agreements and Representation on International Bodies**

- **Association of African Universities (AAU)**
  - CHE member serves on Scientific Committee of the Study Programme on Higher Education Management in Africa
- **UNESCO**
  - CHE member serves on UNESCO Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications
  - CHE member serves on the UNESCO Forum on Higher Education, Research and Knowledge
- **International Network of Quality Assurance Agencies on Higher Education (INQAAHE)**
  - CHE member serves on the Board
- **Council for Higher Education Accreditation (USA)**
  - CHE member serves on the International Commission
- **South-South Higher Education Reform Network**
  - CHE member serves on the Founding Committee
- **Namibian Ministry of Education**
  - Memorandum of Understanding on CHE quality assurance support to Ministry
- **Australian Quality Assurance Agency (AQAA)**
  - Memorandum of Understanding on CHE–AQAA cooperation on quality assurance matters
- **United Kingdom Quality Assurance Agency (UKQAA)**
  - Memorandum of Understanding on CHE–UKQAA cooperation on quality assurance matters
- **National Assessment and Accreditation Council (NAAC), India**
  - Memorandum of Understanding on CHE–NAAC cooperation on quality assurance matters

- **Ford Foundation**
  - Funding of Higher Education Designation project
  - Funding of Monitoring and Evaluation project
  - Funding of Quality Promotion and Capacity Development
  - Funding of Assistance to Eduardo Mondlane University
  - Funding the Colloquium on the Ten Years of Democracy and Higher Education Change
  - Funding of the South African Higher Education in the First Decade of Democracy Report
  - Funding of the Task Team on South African Government Involvement in and Regulation of Higher Education, Institutional Autonomy and Academic Freedom
- **Carnegie Corporation**
  - Funding of Quality Promotion and Capacity Development
- **Rockefeller Foundation**
  - Funding of Monitoring and Evaluation project
- **Department for International Development (UK)**
  - Funding of NQF Review project
  - Funding of Governance project
  - Funding of Responsiveness project
  - Funding of Quality Promotion and Capacity Development (through the Department of Education)
- **CENESA (Dutch)**
  - Funding of quality assurance project on research benchmarking
- **Finnish Government**
  - Funding of Quality Promotion and Capacity Development (through the Department of Education)
- **Envisaged New CHE International Agreements and Representation on International Bodies**
  - **Carnegie Corporation**
    - Funding of seminar on quality assurance for HE Partnership countries
  - **British Council**
    - Funding of seminar on quality assurance for SADC countries



### 1 ORGANISATION

The CHE comprises the Council, an Executive Committee, and a Secretariat headed by the CEO. During the past year, the Council of the CHE has met about every two months and the EXCO met on a needs basis. CHE Standing Committees, Task Teams and Projects have met as required. As noted, the HEQC has its own Board with two CHE members represented on it (the chairperson of the HEQC and one other). Figure 1 shows how the operations of the CHE are organised and the structure of authority, accountability and reporting.



### CHE ADMINISTRATION

**Standing** (from left to right): Louise Ismail (*Finance Manager*), Thierry Luescher (*Researcher*), Neil Hoorn (*Data Administrator*), Chantal Dwyer (*Research Officer*), Pearl Whittle (*Finance Administrator*), Shane Stoffels (*Manager: Committee Affairs, External Reporting and Special Projects*)

**Sitting** (from left to right): Belinda Wort (*Communication and Media Liaison*), Maria Mmaoko (*Office Assistant*), Christa Smit (*Personal Assistant to the CEO*), Prof. Saleem Badat (*CHE CEO*), Jeanette Maoko (*Finance Secretary*), Dr Lis Lange (*Director: Monitoring and Evaluation*)



Lehanda Rheeder  
(*Office Administrator*)



Wendy Ndlovu  
(*Secretary: Monitoring and Evaluation*)



Mpho Thulare  
(*Resource Officer*)

The CHE has located its office in Pretoria so as to ensure ongoing and effective communication with key higher education stakeholders, in particular the Department of Education and the Minister. It has signed a five-year lease in a state-owned building (Didacta Building, 211 Skinner Street, Pretoria) with the South African Agency for Science and Technology Advancement (SAASTA), a division of the National Research Foundation. In addition to SAASTA, the CHE shares the building with the National Advisory Council on Innovation (NACI). The CHE has secured, within the constraints of its financial resources, the workspace, office furniture and equipment essential for effective and efficient functioning.

The move required the CHE to make major investments in information and communication technology (ICT). This has resulted in the CHE possessing its own ICT infrastructure, becoming part of the Tertiary Education Network, and changing its domain name.

The development of a national quality assurance system, which is the responsibility of the HEQC, necessitates the development of a comprehensive and appropriate management information system (MIS) capable of dealing with the processes involved in the accreditation of programmes, the performance of institutional audits and the tasks associated with quality promotion and capacity development. The CHE has embarked on the development of a MIS, which has as its main purpose the support of the HEQC work but extends also to areas of documentation management for the whole organisation.

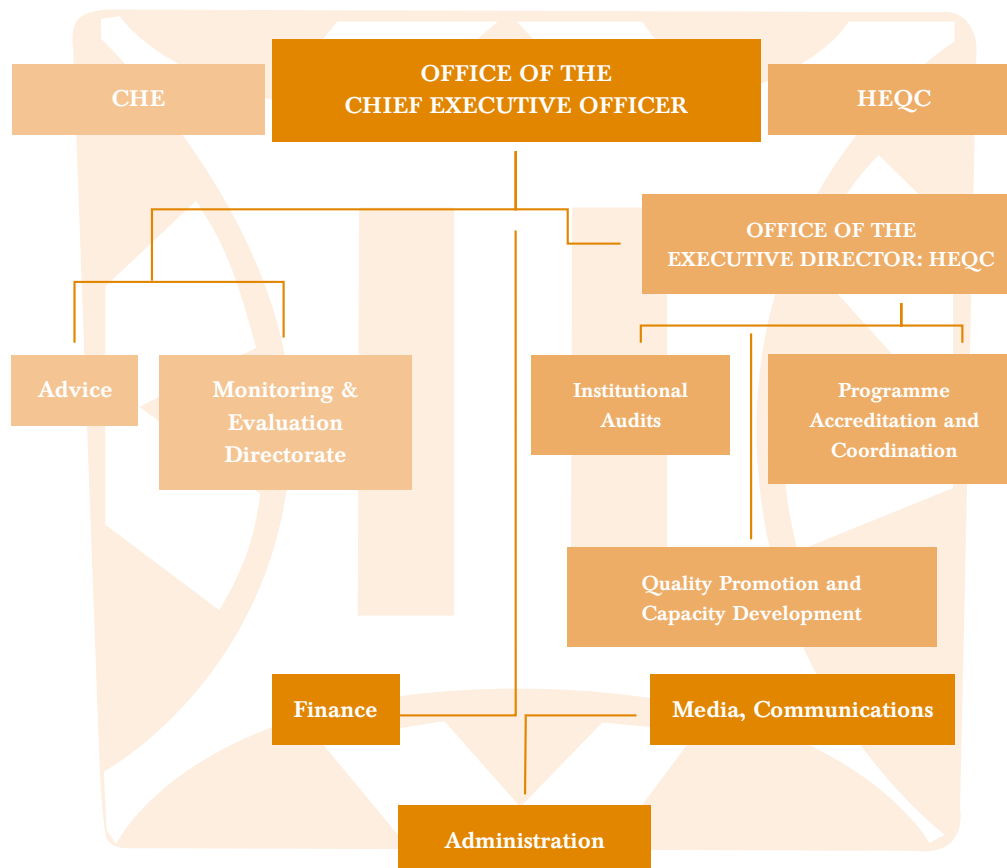
The objectives of the management information system are

- To conceptualise, develop and implement an integrated MIS for the CHE
- To automate internal and external processes for the accreditation of programmes
- To automate internal and external processes for the institutional audits of HEIs
- To automate internal and external processes for the activities of quality promotion and capacity development
- To develop a document management system to automate the CHE registry function.

Work is continuing on the phased implementation of a knowledge management system, including the creation of various key databases. This is an extremely complex and expensive matter requiring considerable attention to the mapping of the various ‘business’ processes of the CHE.

Each of the units of the CHE – Divisions, Offices, Directorates, and Sections – has specified responsibilities and operates within a framework of defined authority and autonomy and accountability and reporting. Regular meetings of the Senior Management of the CHE – CHE CEO, HEQC ED, Directors – and when necessary Managers, address important strategic and organisational issues and give effect to the goal of the various functional areas and organisational components of the CHE working in a mutually supportive, integrated and coordinated manner.

### CHE STRUCTURE



**Figure 1:** The operations of the CHE and the structure of authority, accountability and reporting

## 2 SECRETARIAT/PERSONNEL

An adequate core of full-time professional staff with knowledge and experience of HE, supported by able administrators and technical staff is pivotal to the CHE's execution of its mandate and achievement of its goals. The CHE has sought to appoint such a core and currently possesses an innovative, capable, committed and dedicated workforce. Where necessary, the CHE requests institutions to second personnel with special expertise and skills to the CHE and also makes use of contract staff and local and international consultants.

The present personnel structure and complement is shown in Table 12.

**Table 12:** Personnel structure of the CHE and permanent and contract staff

POST	INCUMBENT
<b>APPROVED STATE FUNDED POSTS</b>	
1. <i>Chief Executive Officer</i> (CHE)	Prof. Saleem Badat
2. <i>Research Officer</i> (CHE)	Ms Chantal Dwyer (contract)
3. <i>Personal Assistant</i> (CHE)	Ms Christa Smit
4. <i>Finance Secretary</i> (CHE)	Ms Jeanette Maoko
5. <i>Finance Manager</i> (CHE)	Ms Louise Ismail
6. <i>Executive Director</i> (HEQC)	Dr Mala Singh (NRF Secondment)
8. <i>Director: Programme Accreditation and Coordination</i> (HEQC)	Dr Prem Naidoo
9. <i>Director: Quality Promotion and Capacity Development</i> (QPCD)(HEQC)	Dr Prem Naidoo
10. <i>Director: Monitoring and Evaluation</i> (CHE)	Dr Lis Lange
11. <i>Director: Institutional Audits</i> (HEQC)	Dr Rob Moore
12. <i>Acting Deputy Director: Programme Accreditation and Coordination</i> (HEQC)	Mr Tshepo Magabane (contract)
13. <i>Acting Deputy Director: Programme Accreditation and Coordination</i> (HEQC)	Mr Theo Bhengu
14. <i>Manager: Programme Accreditation and Coordination</i> (HEQC)	Ms Julia Motaung (contract)
15. <i>Manager: Institutional Audits</i> (HEQC)	Dr Mark Hay (contract)
<i>Manager: Institutional Audits</i> (HEQC)	Mr Bheki Mbele
16. <i>Manager: Quality Promotion and Development</i> (HEQC)	Ms Barbara Morrow (contract)
17. <i>Project Administrator: Programme Accreditation and Coordination</i> (HEQC)	Mr Kenny Shalang
18. <i>Project Administrator: Programme Accreditation and Coordination</i> (HEQC)	Mr Derrick Zitha
19. <i>Project Administrator: Institutional Audits</i> (HEQC)	Ms Innocentia Mabuela
20. <i>Project Administrator: Quality Promotion and Capacity Development</i> (HEQC)	Ms Nikki Groenewald
21. <i>Personal Assistant</i> (HEQC)	Ms Pam Du Toit [NRF Secondment]
22. <i>Secretary: Programme Accreditation and Coordination</i> (HEQC)	Ms Jennifer Maloi
23. <i>Secretary: Institutional</i> (HEQC)	Ms Nokuthula Twala
24. <i>Secretary/Administrator</i> (HEQC)	Ms Pearl Maqubela

**TEMPORARY CONTRACT POSTS \***

25. <i>Head: Training</i> (HEQC)	Dr John Carneson
26. <i>Researcher</i> (CHE)	Mr Thierry Luescher
27. <i>Office Administrator</i>	Ms Lehanda Rheeder
28. <i>Office Assistant</i> (CHE/HEQC)	Ms Maria Mmaoko
29. <i>Receptionist/Assistant Administrator</i> (CHE)	Ms Ketty Moyo
30. <i>Finance Administrator</i> (CHE)	Ms Pearl Whittle
31. <i>Data Administrator</i> (CHE)	Mr Neil Hoorn
32. <i>Manager: Committee Affairs, External Reporting and Special Projects</i> (CHE)	Mr Shane Stoffels
33. <i>Resource Officer/Librarian</i> (CHE)	Mr Mpho Thulare
34. <i>Secretary</i> (CHE)	Ms Wendy Ndlovu
35. <i>Project Manager</i> (HEQC)	Dr Herman du Toit
36. <i>Manager: Quality Promotion and Capacity Development</i> (HEQC)	Ms Thabisile Dlomo
37. <i>Secretary/Administrator</i> (HEQC)	Ms Rheka Bennindeen
38. <i>Project Administrator: Institutional Audits</i> (HEQC)	Ms Christelle Visser
39. <i>Communication and Media Liaison</i> (CHE)	Ms Belinda Wort
40. <i>Administrator: Programme Accreditation and Coordination</i> (HEQC)	Ms Mercy Sondlo
41. <i>Administrator: Programme Accreditation and Coordination</i> (HEQC)	Mr Moloko Mothemela
42. <i>Clerk: Programme Accreditation and Coordination</i> (HEQC)	Ms Colleen Mtjali
43. <i>Clerk: Programme Accreditation and Coordination</i> (HEQC)	Ms Paulette Macheke
44. <i>Clerk: Programme Accreditation and Coordination</i> (HEQC)	Ms Stella Mkhavelo
45. <i>Clerk: Programme Accreditation and Coordination</i> (HEQC)	Ms Helen Mohlala
46. <i>Clerk: Programme Accreditation and Coordination</i> (HEQC)	Ms Makwena Rabele
47. <i>Clerk: Programme Accreditation and Coordination</i> (HEQC)	Ms Lebogang Serepong
48. <i>Clerk: Programme Accreditation and Coordination</i> (HEQC)	Mr Alphios Sibuyi

\* Temporary posts: These draw on the state funds for approved posts that are vacant or are linked to projects funded by donors or where there is cost recovery as in the case of the accreditation of private provider programmes.

Extensive use continued to be made of consultants, especially on projects, and of short-term contract staff because of limited state funding and reliance on donor funding.

Performance reviews were conducted in late November/early December 2004 for the purposes of analysing performance, commending good performance and strengths, identifying weaknesses and instituting strategies to improve performance. The reviews have resulted, where appropriate, in performance rewards and have also fed into the CHE staff development programme for 2005.

Personnel has, where necessary, been redeployed so as to better position the CHE to discharge its varied responsibilities, and to also make more effective use of the expertise and experience of certain personnel.

As indicated, the success of the CHE depends on high quality, effective and efficient staff with the necessary knowledge, expertise, skills and competence. Pertinent issues are the following:

First, since the CHE does not seek to assume an extensive research function and have an in-house research capacity and seeks to draw on and utilise the specialist knowledge and expertise of local policy research and development agencies, consultants and individual

researchers and academics, it will continue to make use of consultants, especially on major investigations and research and development projects.

Second, it is clear that the CHE will not necessarily find staff that can immediately discharge the responsibilities associated with their posts. This means that throughout the organisation, and especially at the senior and middle levels, the CHE will have to function as not just a learning organisation but also a strong mentoring organisation – internally and through various forms of staff development through other avenues.

Third, while the overall equity profile of the CHE is good (see Table 13 below), especially in terms of gender (67% of personnel are women), challenges are the ‘race’ and gender profiles at especially the executive and senior staff levels. Staff development, mentoring and effective succession planning will be required to address these challenges.

**Table 13:** Equity profile of CHE Staff (March 2004)

'Race'	African		Coloured		Indian		White		TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive					1	1			1	1
Directors					1		1	1	2	1
Acting Deputy Directors	2								2	0
Managers	1	2	1	1			3	1	5	4
Project Administrators	2	4	1	2			1	3	4	9
Administrative & Clerical Staff	2	13		1		1		2	2	17
<b>Total (Gender)</b>	<b>7</b>	<b>19</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>16</b>	<b>32</b>
									<b>33%</b>	<b>67%</b>
<b>Total ('race')</b>	<b>26</b>		<b>6</b>		<b>4</b>		<b>12</b>		<b>48</b>	
<b>% by 'race'</b>	<b>54%</b>		<b>13%</b>		<b>8%</b>		<b>25%</b>		<b>100%</b>	

Fourth, as the CHE is a relatively small organisation, the retention of good staff, especially those at senior management and middle management levels of the HEQC, is an ongoing challenge. Other quality assurance bodies have the resources to offer considerably better remuneration packages than the CHE.

Finally, the CHE is highly sensitive to the resource constraints of higher education and the need to avoid creating the CHE as a financially unsustainable body. However, the current personnel structure is proving inadequate in relation to responsibilities. There is much stress and strain especially on executive and senior staff in both the advisory and quality assurance operational areas of the CHE.

It will therefore be necessary to negotiate with the Ministry of Education a new personnel structure and complement, aside from the extra staff that will be required if standard setting becomes a CHE responsibility, as proposed by the Study Team on the NQF.

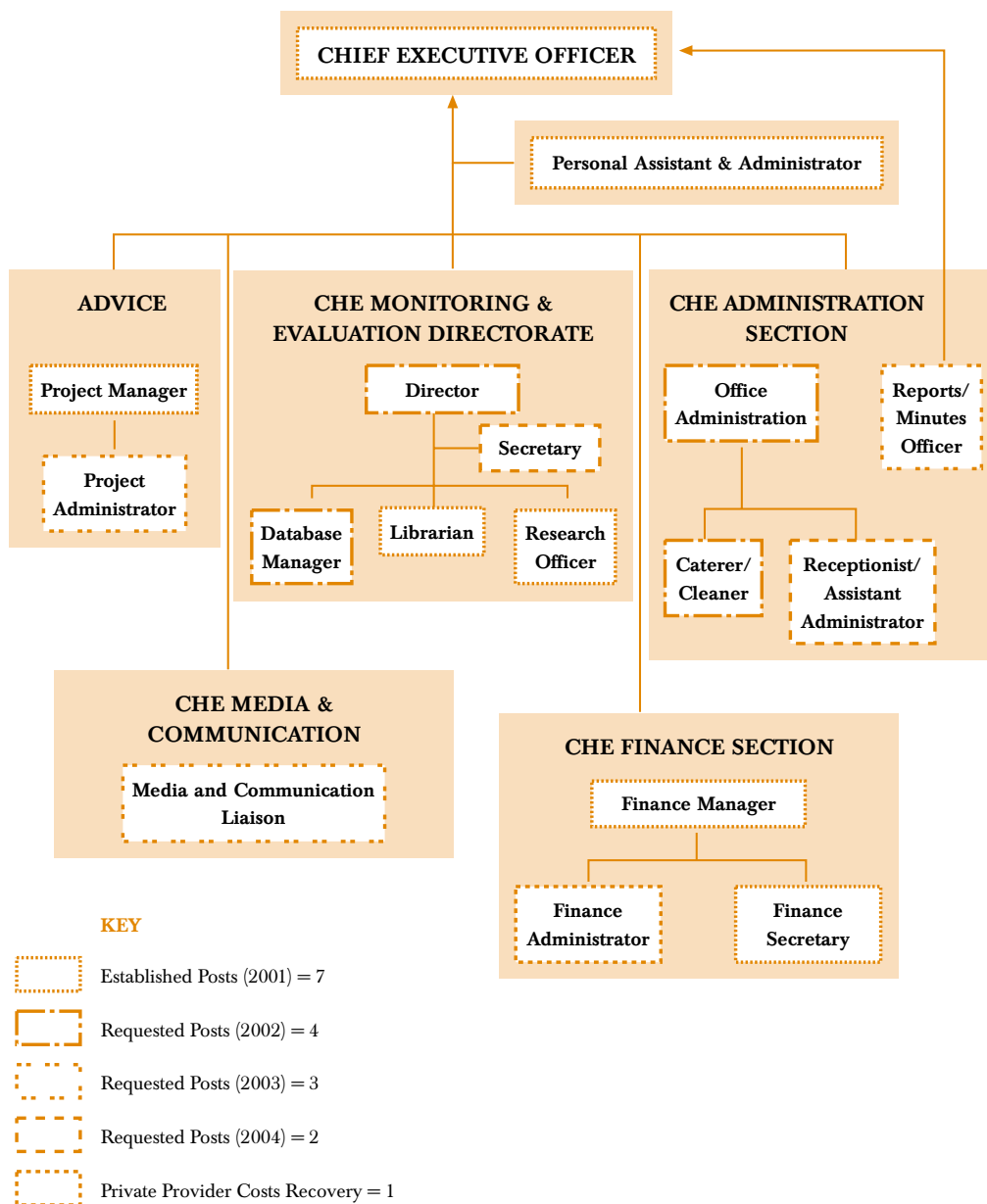
Adequate financial provision will have to be made for the reasonable staffing of the CHE or the demands made on the CHE will need to become congruent with the finances allocated to it.

## 2.1 Personnel Structure

As part of the planning for the production of the new programme document for 2004/2005 – 2006/2007, the CHE again carefully reviewed its personnel structure and staff requirements in relation to the implementation of its core responsibilities and programmes. Figures 2 and 3 below indicate the personnel structure and complement required by the CHE as from 1 April 2005. The salient points are the following:

- The overall personnel structure, the post designations and the location of posts in the various functional areas of the CHE are congruent with the activities and needs of the CHE.

- Only three additional posts have been requested beyond those already requested in 2003.
- In total, the CHE requests a Treasury-funded personnel structure of 55 posts as from 1 April 2005.
- The CHE will not request any further posts for quality assurance without first examining whether these can be legitimately funded from private provider cost recovery fees.
- Wherever possible, the CHE will attempt to source donor funding for posts related to specific time-bound research and development-related activities.
- The personnel structure does not provide for the assumption of standard setting responsibilities.



**Figure 2:** Requested CHE personnel structure (1 April 2005)

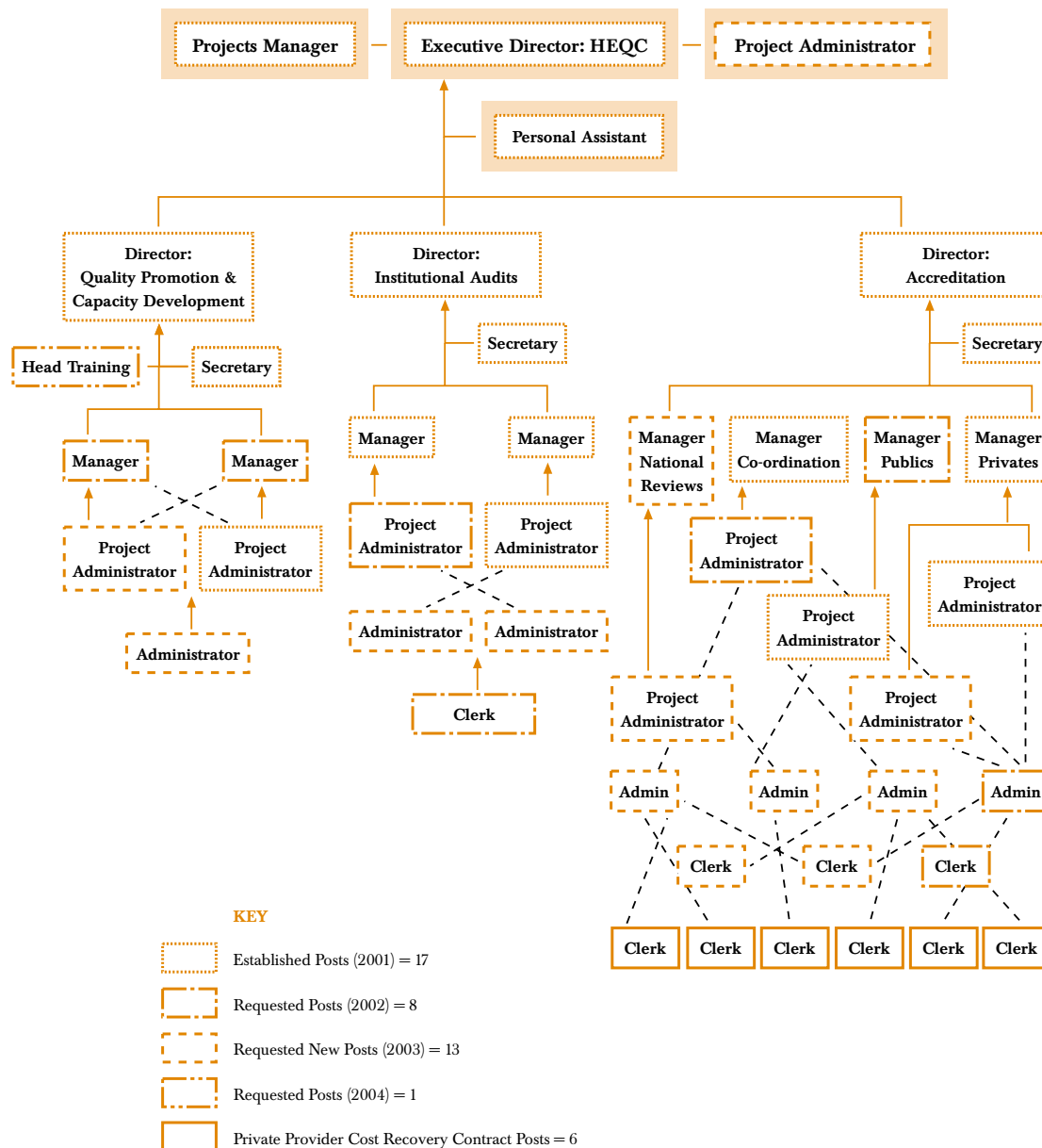


Figure 3: Requested HEQC personnel structure (1 April 2005)

## 2.2 Capacity Constraints

The capacity problems of the CHE relate principally to the personpower at its disposal. In this regard, there are three related pressures on the CHE.

First is the size of the full-time personnel complement that is available to the CHE, for its advisory and monitoring responsibilities and especially for its quality assurance mandate. It has become clear that there has been a gross underestimation of the complement that is actually required for the CHE to deliver value-added, effective and efficient services. The CHE has requested that its personnel complement be increased from 36 to 63 persons. However, this expanded complement does not provide for new activities that could be accorded to the CHE following the review of the *National Qualifications Framework* by a Ministerial study team.

In view of the often vague and generalised references that are made to 'capacity constraints', it is necessary to stress that the CHE is not lacking in intellectual, conceptual, strategic and implementation capacities. Indeed, it possesses an excellent senior and middle management that is highly qualified, has extensive specialist expertise, competence and skills and is professional, supported by skilled and dedicated administrative personnel. However, the constraint is in

augmenting its current personnel, especially at the senior and middle levels, because of a lack of approved posts and finances.

Second, the CHE is deeply committed to employment equity and pays serious attention to its equity profile. It has not been easy to find highly qualified black and women personnel, especially in quality assurance, which is a relatively new and highly specialised field. On occasions, appointments have had to be put on hold, and secondments and short-term contracts have had to be utilised in order to ensure that the overall profile of the CHE in terms of 'race' and gender is in keeping with the demographics of our country and goals of employment equity and broad-based black economic empowerment.

Third, the CHE faces the continuous challenge of retaining its experienced staff, in whom it has made a considerable investment in terms of training. It experiences strong pressure from other bodies in the education and training sector that have larger budgets and are able to attract CHE staff with offers of larger remuneration packages. Thus, personnel capacity to execute all responsibilities will be an ongoing challenge, requiring continuous further education and training of personnel, effective mentoring and also succession planning.

### 2.3 Staff Development

Good use is being made of the staff development policy. Staff members are undertaking postgraduate studies at the Honours, Masters and PhD level on areas that are of direct relevance to the organisation. Staff members are also receiving training in identified ITC areas and in language and communication skills.

An internal staff development seminar programme has been instituted, with the CHE CEO and other senior staff playing a strong and direct role in the intellectual, professional and organisational development of personnel. The objective of these seminars is to enhance the staff's theoretical, conceptual, historical and sociological knowledge of South African higher education, to develop their intellectual, professional and organisational skills and to sharpen their understanding of the CHE and its work.

### 2.4 Succession Planning

As indicated, effective succession planning will be required to ensure that the CHE will continue to possess the senior and middle management personnel necessary for its operations, and to improve the CHE's equity profile at the senior management level. Succession planning is also provided for in the CHE's human resource policies and the senior management of the CHE has committed itself to work with the CHE and HEQC EXCOs to develop succession strategies and plans for implementation from 2004 onwards.

## 3 FINANCES

The CHE has in place effective and transparent financial management and internal control systems, policies and procedures that have been designed to satisfy the requirements of the *Public Finance Management Act*. These systems were established by a financial consultant and are revised and updated on the advice and recommendations of the Auditor General, the internal auditors, the CHE Audit Committee and the Executive Committee of the CHE.

Scrutiny of finances and financial systems occurs through

- The annual audit of the office of the Auditor General, which is both rigorous and formative in contributing to the enhancement of systems, policies and procedures
- Internal audits conducted by the Department of Education, which are important in identifying areas that may require attention
- The CHE Audit Committee, which has been constituted in accordance with regulations
- The CHE Executive Committee
- The CHE Council
- The CHE Chief Executive Officer.



The CHE budget is approved by the CHE Council, which is regularly updated on income and expenditure and provided with a variance report. The Executive Committee of the CHE maintains oversight of finances through reporting every two months by the CEO on income and expenditure, including a variance report. A four-person team manages and administers CHE finances: an extremely diligent, skilled and competent full-time Finance Manager, a Finance Administrator who deals specifically with income and expenditure related to donor funding and private higher education providers, a Finance Secretary, and a Reconciliation Clerk. The Chief Executive Officer maintains strong oversight on finances.



### **CHE Finance Department**

*(from left to right):*

Jeanette Maoko (*Finance Secretary*)

Louise Ismail (*Finance Manager*)

Pearl Whittle (*Finance Administrator*)

The varied and ongoing scrutiny of CHE financial systems has been important in revealing possible areas of risk, which are then addressed. In addition, the CHE commissioned KPMG to conduct an independent and comprehensive assessment of risk and to advise on strategies and mechanisms to reduce and/or eliminate risk. The most important risks have been incorporated into The Programme (Goals, Strategy and Plan) of the CHE, 2004–2007, which was adopted by the CHE Council at its 6 August 2004 Council meeting. The risk register has been updated and a risk management strategy is being developed. The CHE is confident that it has the necessary financial systems, policies and procedures and, above all, the finance personnel, to prevent or significantly reduce fraud.

Finally, policies and procedures – related to signing powers, declaration of interest, non-acceptance of gifts from providers of higher education, etc. – exist and are regularly updated to ensure that conflict of interest is either eliminated or minimised. A Code of Conduct for both CHE members and personnel also exists in this regard.

### **3.1 Utilisation of Donor Funds**

The CHE has been highly successful in writing project proposals and mobilising donor funding, which have been crucial for supporting the research and development activities, systems development initiatives and capacity building programmes of the CHE. The record of utilisation of donor funds is that in most cases funds have been used effectively within the times specified. In some cases, however, it has not been possible to use all the funds within the specified periods because of difficulties or delays in securing specialist expertise and thus lack of capacity to implement initiatives and projects. In these cases a rollover of funds has been requested and always obtained.

During the past year, new funds were secured from the Ford Foundation and the Carnegie Corporation. Where possible, the DoE has provided great assistance in supporting CHE applications for donor funding.

Of the R24.6 million operating income for 2004–2005, some R4.4 million is derived from donors. These donors have made it clear that while they are committed to assisting with certain research and initial development activities, they are not prepared to carry costs related to the long-term system functions, especially quality assurance.

Table 14: CHE operating income by sources and functions, 2004-2005

Source	CHE	HEQC	TOTAL
National Treasury	R 6 880 000		R 6 880 000
DoE		R 11 120 000	R 11 120 000
<b>Total Government</b>	<b>R 6 880 000</b>	<b>R 11 120 000</b>	<b>R 18 000 000</b>
Private Providers Income		R 1 648 896	R 1 648 896
<b>Donor</b>	<b>R 1 008 400</b>	<b>R 3 451 574</b>	<b>R 4 459 974</b>
<b>Sundry Income</b>	<b>R 532 754</b>		<b>R 532 754</b>
<b>Total</b>	<b>R 8 421 154</b>	<b>R 16 220 470</b>	<b>R 24 641 624</b>
<b>DoE Contribution (%)</b>	<b>82%</b>	<b>69%</b>	<b>73%</b>
<b>Donor Contribution (%)</b>	<b>18%</b>	<b>21%</b>	<b>20%</b>
<b>Cost Recovery (%)</b>		<b>11%</b>	<b>7%</b>
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Government funding that is adequate for the discharge of all the responsibilities that have been allocated to the CHE, and particularly the quality assurance responsibilities, will have to be secured. The commitment of the DoE to find a way of institutionalising the funding for quality assurance activities is an important first step. The principle should be that government meets all core personnel costs of the CHE/HEQC. The overall targets should be that in 2006/2007, government meets 80% of the CHE portion of the budget and 90% of the HEQC portion of the budget. Unless there is a move in this direction, sustainability will be a problem.

### 3.2 Underspending/Overspending

Underspending in the 2004–2005 financial year has been 4% of the total operating income, resulting in an operating surplus of R 1 175 688.

There are three reasons for underspending. First, in some instances suitable personnel could not be secured and/or contract staff were appointed against established posts at a lower remuneration. Second, not all of the donor projects could be executed within the established time frames owing to unavailability of specialist consultants and/or circumstances beyond the CHE’s control. Third, the roll-out of the data management systems and databases has remained a complex exercise that has taken considerably more time to conceptualise and implement than was originally envisaged.

Underspending in itself has had no significant impact on the effectiveness of the operations of the CHE. However, in successive years the budget formulation process of the CHE has become more comprehensive, the time frames for projects have become more realistic and the calculation of annual expenditure has become more accurate. Together with the costing of quality assurance investigation that it has commissioned, the CHE is confident that there will be no significant or major departures from budgets and underspending in coming years.

## 4 RISK ASSESSMENT AND MANAGEMENT

The executive team of the Council on Higher Education (CHE) committed the organisation to a process of risk assessment. A workshop, facilitated by KPMG and attended by senior members of CHE management, was held in February 2004 in order to generate a risk profile of the organisation. The motivation for the workshop was as follows:

- A mandate to comply with the Public Finance Management Act
- A need to gain a perspective of all key risks facing the organisation so that operational risk management efforts and internal audit plans can be adjusted
- A desire to develop a consistent and integrated approach to risk assessment in accord with the risk management principles of the King II Code
- The creation of a risk management strategy so as to effectively position the CHE in relation to future developments in higher education.

The workshop guided the CHE representatives through a methodology that encompassed the following exploratory processes:

- Verification of the organisation's strategic and high-level objectives
- Modelling of the organisation's key objectives and critical success factors
- Identification of 'mission critical' processes, assets, suppliers and stakeholders
- Identification of risks that could impact on the above (many of which had been identified and recorded by CHE staff in a pre-workshop process)
- Sizing and ranking of the top risks.

About 50 key risks were identified and considered. These were a mixture of actual risks and potential risks. Each of these risks was deemed important by the management team, but the risk assessment methodology drew out nine risks most likely to have a major impact on the CHE's operations in the next two years.

The top nine risk areas were ascertained by considering the potential impact of each risk and the inherent probability of the risk resulting in an unwanted outcome. The residual risk profile was determined by evaluating the perceived effectiveness of controls for each risk. Although there is an unavoidable subjectivity in this sort of evaluation process, the KPMG methodology encouraged a consensus view by the management team so that there would at least be a common perspective of the risk and its controls.

The Risk Register has been updated and submitted to the Department of Education as part of the CHE's reporting obligations to comply with the Public Finance Management Act (PFMA). The Risk Management Strategy is still under development.

## **5 THE PROGRAMME (GOALS, STRATEGY AND PLAN) OF THE CHE, 2004–2007**

The CHE Council was provided with a first draft CHE Programme (Goals, Strategy and Plan) for 2004–2007 and a detailed document on the proposed new performance targets in relation to goals.

The first draft CHE programme for 2004–2007 was written as a comprehensive and maximalist document. The assumptions informing the document were the following:

- The role and value of the CHE should not be regarded as self-evident. Instead, its various responsibilities, roles, mode of operation and performance to date should be described in detail.
- The connection between context, mandate, responsibilities, core programmes and human and financial resource needs must be made explicit and clear.
- The document must serve as a stand-alone document that does not require reference to various other documents.
- Parts of the overall document can also serve other purposes, such as new CHE and HEQC staff induction.
- It is advisable to be detailed and comprehensive and undertake trimming thereafter, instead of being restrictive and minimalist and having to add much new information and text.

The CHE Council adopted the CHE Programme (2004–2007) at its Strategic Planning Workshop held on 5 August 2004 at the Kopanong Conference Centre, Benoni, with the following amendments:

- To prioritise as the principal responsibilities and activities of the CHE the provision of informed, considered and strategic advice to the Minister, on request and proactively, and higher education quality assurance, including programme accreditation and coordination, institutional audits and quality promotion and capacity development
- To pursue as an important activity that facilitates the provision of advice and effective quality assurance the monitoring and evaluation of higher education, including the responsibility for producing regular reports on the state of South African higher education

- To further pursue activities that contribute to the development of higher education, and in particular effectively make the case for higher education in relation to the economic and social development of South Africa, building a positive image for higher education and public confidence in higher education, and promoting access to higher education.

The CHE CEO was also instructed to produce a core budget based on the priority of the CHE's activities and to set out which of the activities are core activities and which are of a support nature.

Further resolutions were that the CHE

- Undertake standard setting as a possible additional responsibility and activity only on condition that additional resources are provided
- Seek a meeting with the Minister of Education as a matter of urgency in order to set out the CHE programme and priorities and the rationale for these, and to secure the necessary resources for the effective and sustainable functioning of the CHE through the institutionalisation of funding of quality assurance and, if necessary, standard setting, over and above the current National Treasury allocation.

### 6 FUTURE CHALLENGES

In her budget speech in mid-2004 the Minister of Education indicated that her focus would be on 'stability and **consolidation** linked very directly to our existing positive policies and to any necessary adjustments that strengthen the framework of education, so that it provides the opportunities for transformation and development set out in various acts and policy instruments'.

The theme of consolidation was one that the Minister referred to again at the CHE colloquium in November 2004, saying that 'Given the significant changes that have taken place over the past ten years, it is now time for a period of **consolidation** in the policy arena over the coming two to three years'. The Minister, however, added that 'I must emphasise that this will provide us the opportunity to strengthen the system and build up public confidence in our universities and technikons. At the same time we will constantly reflect on progress with new initiatives and I will therefore not hesitate to revise or augment policy if it is warranted in the light of unfolding experience'.

By late 2003 the CHE had itself concluded: 'The higher education "system", and its constituent parts and actors continue to be in flux and to face major challenges. Priorities are for the Ministry to purposefully effect the restructuring that is necessary and to build and **consolidate** the *system* through planning, funding and quality assurance activities. There is considerable stress, strain and anxiety within higher education and a further and urgent priority is to work diligently to create **system and institutional stability**. The system, institutions and actors are at the limits of their capacities to absorb further policy changes. It would be prudent not to make any further major demands on institutions and actors beyond the necessary structural restructuring, institutionalisation of a new academic policy system and the consolidation and enhancement of quality. The overall approach of the CHE takes this as its frame of reference'.

The Minister's view on the need for consolidation therefore strongly accords with the CHE's view and is also likely to enjoy widespread support within higher education. Such consolidation should necessarily include a high degree of **certainty, consistency and continuity** of national policy.

The strategic priorities of any period of consolidation include the following:

1. Effectively and efficiently ensuring that the mergers and the more general institutional restructuring are brought to fruition
2. Extending and deepening the curriculum innovation and restructuring that is needed if HEIs are to be genuinely responsive to the changing knowledge and high-level skills requirements of a changing economy and society, including forging partnerships with local and international institutions in areas where the necessary knowledge and expertise does not exist
3. Giving concerted attention to improving the quality of HE programmes and teaching, learning and supervision, including rapidly enhancing the capabilities of institutions and academics

4. Mobilising and securing additional and adequate finances for enabling HE to meet the multiple and huge demands and expectations to which it must respond. Such additional funds may be better used for explicit and clear defined strategic priorities for the next decade than to simply complement the existing pool of funds disbursed to institutions as part of the current funding formula.

As far as the CHE is concerned, it would need to interact with any programme of consolidation and strategic priorities and also, in part, define its activities in relation to such a programme.

The CHE is already working in a concerted way to improve the quality of HE core functions, programmes and institutions through its accreditation of all new HE programmes, the re-accreditation of select programmes, its audits of institutions and its quality promotion and capacity development initiatives, including special projects related to merging institutions and the historically disadvantaged institutions.

Through its monitoring and evaluation responsibility, the CHE is investigating a number of important issues related to the functioning of HE, its progress in achieving defined policy goals and objectives, and the necessary conditions for its enhanced performance. These issues include access and equity, postgraduate education, institutional culture, financing and funding, and whether the mergers will indeed result in more equitable, higher quality, more effective and efficient, and more responsive HEIs.

Through this work the CHE will continue to draw the attention of institutions, government and other key actors to critical shortcomings and pressing challenges, and also seek to work with HEIs to address these through its mandates for quality promotion and capacity development and for contributing to the development of higher education through specific initiatives.

In terms of the advice mandate, the CHE is finalising advice to the Ministry on the theme of building the responsiveness of higher education to the graduate and knowledge needs of the private and public sector. This will be the culmination of an initiative that began in early 2002 with a colloquium that brought together business, the public sector and HE to discuss this theme, and in 2003 brought together HEIs in the Johannesburg area and the Johannesburg Metropolitan Council around its 2030 vision. The past few years have, if anything, confirmed the importance of this theme and the vital necessity for dialogue and partnerships between the private and public sectors and HE to address the high level personpower needs of a changing South African economy and society.

However, as noted, the CHE, even as it participates in any discussions on consolidation and strategic priorities, will necessarily also have to consider how it relates and contributes to these through its mandated responsibilities.

In the coming years the key tasks and challenges of the CHE include

- Further consolidating and developing the ability of the CHE to provide informed, considered and strategic advice to the Minister
- Demonstrating the value of an effective system for monitoring and evaluating policy goals
- Making the transition from quality assurance and promotion systems development to effective implementation
- Continuing to build and consolidate the consultative, integrated, interlocking and coordinated functioning of the various responsibilities and organisational components of the CHE (advice, quality assurance, monitoring and evaluation, and HE development)
- Effectively addressing through appropriate strategies the key risks that are embodied in its mandate and its organisational character.

On the basis of the expertise that it possesses, the wise counsel that is available to it, the experiences of the past six years, and the funding that is now committed to it through the National Treasury, the CHE is well positioned to continue to effectively discharge its mandate and responsibilities and to meet any internal challenges that it faces.

**Research Reports**

- *South African Higher Education in the First Decade of Democracy* (November 2004)
- *Considerations on the Designation and Nomenclature of Higher Education Institutions* (November 2004)
- *Enhancing the Contribution of Distance Higher Education in South Africa* (September 2004)
- *The Governance of Merger in South African Higher Education* (August 2004)
- *Governance in South African Higher Education* (May 2002)
- *Clarification of private provider usage of the terms 'accreditation', 'validation' and 'endorsement' and related terms* (August 2001)
- *Conditions and criteria under which higher education institutions should be permitted to use the term 'university'* (July 2001)
- *Registration and recognition of private higher education providers: Problems, prospects and possibilities with specific reference to the Higher Education Amendment Bill, 2000* (July 2001)
- *Sertec transition plan, 2001–2002* (April 2001)
- *Quality assurance in higher education: The role and approach of professional bodies and SETAs to quality assurance* (November 2000)
- *Thinking about the South African higher education institutional landscape: An international comparative perspective on institutional differentiation and restructuring* (November 2000)
- *An evaluation of Sertec and the Quality Promotion Unit* (June 2000)

**Policy Reports**

- *Promoting Good Governance in South African Higher Education* (May 2002)
- *Towards a New Higher Education Landscape: Meeting the Equity, Quality and Social Development Imperatives of SA in the 21st Century* (July 2000)

**Policy Advice Reports** (Approved by the Minister of Education for Public Release)

- *CHE Advice to the Minister of Education on Aspects of Distance Education Provision in South African Higher Education*, 15 March 2004 (Released March 2005)
- *CHE Advice to the Minister of Education on the Ministry's Higher Education Restructuring Proposals, as Published in the Government Gazettes Numbers 23 459 (21 June 2002) and 23 550 (24 June 2002), September 2002* (Released late 2002)
- *Language Policy Framework for South African Higher Education, July 2001* (Released 2002)
- *CHE Advice to the Minister of Education: The Proposed New Higher Education Funding Framework of the Ministry of Education and its Implications for the Reconfiguration of Higher Education, 2001* (Released 2002)

**Policy Documents**

- *Higher Education Quality Committee: Founding Document* (January 2001)
- *Higher Education Quality Committee: Draft Founding Document* (August 2000)

**Occasional Papers**

- *Human Resource Development and Higher Education Planning: Important National and Continental Initiatives* (No. 1, February 2002)

**Discussion Documents**

- *Improving Teaching and Learning (ITL) Resources* (March 2005)
- *Framework for Programme Accreditation* (November 2004)
- *Criteria for Programme Accreditation* (November 2004)

- *Framework for Institutional Audits* (June 2004)
- *Criteria for Institutional Audits* (June 2004)
- *Towards a Framework for the Monitoring and Evaluation of South African Higher Education: Discussion Document* (April 2004)
- *Proposed criteria for the HEQC's first cycle of audits: 2004–2009* (March 2004)
- *A New Academic Policy for Programmes and Qualifications in Higher Education: Discussion Document* (October 2001)

#### **Kagisano (Discussion Series)**

- *The General Agreement in Trade in Services and Higher Education* (No. 3, Summer 2003)
- *Good Governance in Higher Education* (No. 2, Autumn 2003)
- *Reinserting the Public Good into Higher Education Transformation* (No. 1, November 2001)

#### **Higher Education Monitor**

- *The State of the Provision of the MBA in South Africa* (No. 2, October 2004)
- *The State of Private Higher Education in South Africa* (No. 1, 2003)

#### **Conference Reports**

- *Report on the Colloquium on Ten Years of Democracy and Higher Education Change* (10–12 November 2004)
- *Proceedings of the Colloquium on Building Relationships between Higher Education and the Private and Public Sectors* (27–28 June 2002)
- *The Council on Higher Education 3rd Annual Consultative Conference* (29–30 November 2001)
- *HEQC institutional audit and programme review training workshop* (25–29 September 2001)
- *Workshop of HEQC Forum of quality assurance managers of higher education institutions* (24 July 2001)
- *The HEQC launch and strategic planning workshop* (May/June 2001)
- *The Council on Higher Education 2nd Annual Consultative Conference* (23–24 November 2000)
- *The Council on Higher Education 1st Annual Consultative Conference* (29–30 November 1999)

#### **Directory**

- *Directory of South African Quality Assurers and Professional Bodies* (September 2003)

#### **Annual Reports**

- *Annual Report 2003/2004* (August 2004)
- *Annual Report 2002/2003* (August 2003)
- *Annual Report 2001/2002* (August 2002)
- *Annual Report 2000/2001* (November 2001)
- *Annual Report 1999/2000* (November 2000)
- *Annual Report 1998/1999* (November 1999)

#### **Newsletters**

- *CHE News No. 8* (November 2004)
- *CHE News No.7 Special Issue* (May 2004)
- *CHE News No.6* (August 2003)
- *CHE News No.5* (April 2003)
- *CHE News No.4* (November 2001)
- *CHE News No.3* (May 2001)
- *CHE News No.2* (November 2000)
- *CHE News No.1* (November 1999)

## Press Releases

- The HEQC of the CHE signs a Memorandum of Understanding with the Quality Assurance Agencies of the United Kingdom and India (10 March 2005)
- CHE/HEQC MBA Review (22 February 2005)
- CHE/HEQC MBA Review (7 December 2004)
- CHE/HEQC National MBA Review: Three more MBA programmes are given full accreditation status (22 September 2004)
- Release of the Results of the Re-accreditation of MBA Programmes by the HEQC (20 May 2004)
- Auditor Orientation (22 July 2003)
- Meeting between the Council on Higher Education and the Minister of Education on the Ministry's Higher Education Restructuring Proposals (3 May 2002)
- CHE Colloquium: Building Relationships between Higher Education and the Private and Public Sectors and Contributing to their High-level Person-power and Knowledge Needs (20 June 2002)
- New Membership of the Council on Higher Education, 2002–2006 (19 June 2002)
- Launch of the Higher Education Quality Committee of the Council on Higher Education (2 May 2001)
- Public handover to the Minister of Education, Professor Kader Asmal, of the CHE Size and Shape Task Team Report, *Towards a New Higher Education Landscape: Meeting the Equity, Quality and Social Development Imperatives of South Africa in the Twenty-first Century* (18 July 2001)
- The *National Plan for Higher Education* of the Ministry of Education (5 March 2001)

## Organisational Brochures

- Quality Assurance in Higher Education: The Higher Education Quality Committee (July 2002)
- *The CHE Higher Education Quality Committee* (2000)
- *The Council on Higher Education* (2000)

## Internet site

- <http://www.che.ac.za>

## CHE in the Media

- **Articles in newspapers**
- MoU signing press release on the CHE *website* article appeared in the *Sowetan* (10 March 2005)
- MBA press release on the CHE website, articles appeared in *Die Beeld* (24 February 2005)
- CHE article in *Pretoria News* (23 February 2005)
- CHE placed advertisements directed at prospective students as part of its information campaign in the *Sowetan*, *Isolezwe* and *Illanga* and four community newspapers in the Western Cape (*Plainsman*, *Vukani*, *Southern Mail* and *Athlone News*) (Jan–Feb 2005).
- *Financial Mail* MBA article (10 September 2004)
- The release of the MBA Re-accreditation results was also covered by international newspapers (*The Chronicle of Higher Education*, Washington), *Business Week Online*, UK (interview), *Australian Times Higher* (interview)
- The following daily and national newspapers covered the release of the MBA re-accreditation during May and June 2004: *Sowetan*, *Star*, *Pretoria News*, *This Day*, *Beeld*, *Business Day*, *Mercury*, *Argus*, *Cape Times*, *Herald Eastern Cape*, *Burger*, *Natal Witness*, *Daily Dispatch*, *Sunday Times*, *City Press*, *Rapport*, *Mail & Guardian*, *Sunday Independent*, *Financial Mail*, *Time* magazine, *Mba.co.za* website
- MBA article in *Reaching Out* magazine (Autumn 2004)



- MBA feature in *Gauteng Provincial Government Leadership Journal* Vol 1. No2 (July 2004)
  - CHE response on survey on Setas in *Sunday Times* (29 April 2004 and 8 May 2004)
  - Comprehensive MBA re-accreditation article in *Time* magazine (April 2004)
  - Coverage on private HEIs in the *Sowetan* (January 2004)
  - Unitech quarterly newspaper Vol 1, 2 MBA article.
  - Follow-up articles on the mergers and general higher education issues (September 2003)
  - MBA fokus in *Die Beeld* (20 August 2003)
  - MBA review in *Financial Mail* (1 August 2003)
  - MBA review in *Mail & Guardian, Getting Ahead* Supplement (1 August 2003)
  - MBA feature in *Mail & Guardian* (July 2003)
  - The state of private higher education in South Africa in *Illanga* (July 2003)
  - The state of private higher education in South Africa in *Business Day* (10 July 2003)
  - MBA short course in *Business Day* (30 June 2003)
  - MBA Review in *Business Day* (18 June 2003)
  - Audits and pilots in *Die Beeld* (14 May 2003)
  - Follow up on the MBAs in *Business Day* (14 May 2003)
  - MBA review in *Business Day* (13 May 2003)
  - Audits and pilot audits in *Business Day* (2 May 2003)
- **Radio and television**
    - CHE staff participates in radio Metro panel discussion on higher education (Feb 2005)
    - Radio interview Jozi Live on SAfm about accreditation of programmes (Jan 2005)
    - The following radio stations covered the release of the MBA Re-accreditation results: SAfm Midday Live, SABC Newsbreak, Monitor – Mafikeng, Kaya FM, Radio 702, Cape Talk, Jacaranda, Radio Pretoria (May 2004)
    - The MBA re-accreditation results were also covered by the broadcast media: SABC Africa, Evening news main bulletin SABC 3, Business Update SABC 3, Botswana television The Eye (May 2004)
    - Radio interview conducted in Zulu on ICORA FM (Accreditation of nursing colleges and private higher education provision)
    - SABC Newsbreak about the State of Private Higher Education in South Africa in *Business Day* (17 July 2003)
    - Radio 702 about the State of Private Higher Education in South Africa in *Business Day* (10 July 2003)
    - SABC Polokwane about the above-mentioned MBA article (May 2003)
- **Supplements in newspapers**
    - A distance education poster included in the supplement of *The Teacher* newspaper Vol. 10, No. 2, February 2005
    - Articles by CHE staff contributed to the *Sunday Times Higher Education* supplement of 6 February 2004
    - Two articles contributed to the *Mail & Guardian* supplement on the MBA
    - On private providers
      - *The Teacher* (7 April 2004)
      - *Sunday Tribune* (29 February 2004)
      - *Isolezwe* (27 February 2004)
      - *The Post* (26 February 2004)
      - *The Star* (25 February 2004)
      - *Cape Times* (24 February 2004)
    - Illegal private providers (*Rapport* and *City Press*, 25 May 2003)

- **International requests for comments on the MBA review**
  - MBA article in *African Mirror* (January 2004)
  - MBA review in *PMR Africa* (September 2003)
  - MBA article in *Overseas, Overwhelmed*, Bulletin for Canadian International Education Professionals (21 May 2003)
  - Article submitted upon request from *Chronicles on Higher Education*, Washington D.C. (May 2003)
  - Interview with the *Times Higher Education* Supplement, UK (May 2003)

## RECENT PUBLICATIONS



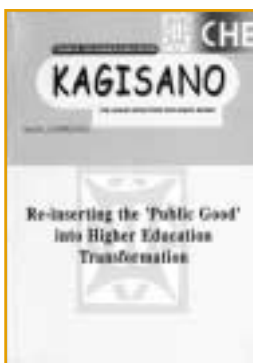
HEQC  
*Teacher: Supplement*



HEQC  
*Teacher Poster*



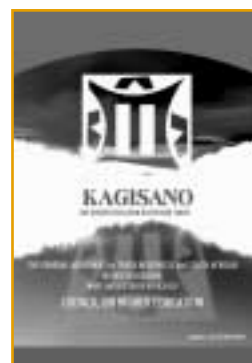
*Directory of South African  
Education and Training  
Quality assured Professional  
Bodies*



*Kagisano: Issue 1  
Re-inserting the Public Good  
into Higher Education  
Transformation*



*Towards a Framework for the  
Monitoring and evaluation of South  
African Higher Education*



*Kagisano: Issue 3  
The General Agreement on  
Trade in Services and South  
African Higher Education*



HEQC  
*Founding Document*



CHE  
*Annual Report 2003-2004*



*South African Higher  
Education in the First Decade  
of Democracy*



*Criteria for Institutional  
Audits*



*Framework for Institutional  
Audits*



*Higher Education  
Monitor 2 - The State of  
the Provision of the MBA in  
South Africa*



*Improving Teaching and  
Learning Resources*



*Criteria for Programme  
Accreditation*



*Framework for Programme  
Accreditation*

# AUDIT REPORT

## REPORT OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE COUNCIL ON HIGHER EDUCATION FOR THE YEAR ENDED 31 MARCH 2005

#### 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 89 to 102, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 18 of the Higher Education Act, 1997 (Act No. 101 of 1997). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

#### 2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

### **3. AUDIT OPINION**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Council on Higher Education at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with Statements of Generally Accepted Accounting Practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

### **4. APPRECIATION**

The assistance rendered by the staff of the Council on Higher Education during the audit is sincerely appreciated.



N Puren  
*for Auditor-General*

Pretoria  
26 July 2005



AUDITOR-GENERAL

The audit committee consists of the members listed hereunder. During the financial year two meetings were held on 4 August 2004 and 14 March 2005.

***Audit committee members:***

**Mr A de Wet**, University of the Witwatersrand (Chairperson)

**Mr SBA Isaacs**, CHE Council member

**Prof. G Lenyai**, Tshwane University of Technology

**Mr I Sehoole**, HEQC Board member until 21 September 2004

**Prof. R Stumpf**, HEQC Board member

The audit committee has adopted appropriate formal terms of reference, which have been confirmed by the CHE Council, and has performed its responsibilities as set out in the terms of reference.

In performing its responsibilities the audit committee has reviewed the following:

- The effectiveness of the internal control systems
- The effectiveness of the internal audit function
- The risk areas of the entity's operations to be covered in the scope of the internal and external audits
- The adequacy, reliability and accuracy of financial information provided to management and other users of such information
- The accounting or auditing concerns identified as a result of the internal and external audits
- The entity's compliance with legal and regulatory provisions
- The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations
- The independence and objectivity of the external auditors
- The scope and results of the external audit function, its cost-effectiveness, as well as independence and objectivity of the external auditors.

The audit committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively

during the period under review. The audit committee considers the CHE's internal controls and systems appropriate in all material respects to:

- Reduce the CHE's risks to an acceptable level
- Meet the business objectives of the CHE
- Ensure the CHE's assets are adequately safeguarded
- Ensure that the transactions undertaken are recorded in the CHE's records

The audit committee has evaluated the annual financial statements of the Council on Higher Education for the year ended 31 March 2005 and concluded that they comply, in all material respects, with the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, and South African Statements of Generally Accepted Accounting Practice.

The CHE will be able to meet its mandate due to the recent institutionalization of quality assurance funding.

The Auditor-General issued the Council on Higher Education with an unqualified report for 31 March 2005. The audit committee has therefore recommended and the CHE Council has adopted the annual financial statements at its meeting held on 11 July 2005.



Mr André de Wet

Chairperson

18 July 2005

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

<b>Contents</b>	<b>Page</b>
Accounting Authority Report	89
Balance Sheet	92
Abridged Income Statement	93
Statement of Changes in Equity	94
Cash Flow Statement	95
Notes to the Balance Sheet	96
Detailed Income Statement	103
Schedule of donor-funded Roll-over	104

**Director's approval of the annual report financial statements**

The annual financial statements for the year ended 31 March 2005 set out on pages 89 to 102 were approved and are signed by:



**Prof. MS Badat**

(Chief Executive Officer)



# ACCOUNTING AUTHORITY REPORT

For the year ended 31 March 2005

## Report by the Accounting Authority to the Executive Authority and Parliament of the Republic of South Africa

### 1. INTRODUCTION

The CHE members present their annual financial statements for the year ended 31 March 2005.

The Council on Higher Education is incorporated as a public company in South Africa in terms of the Companies Act, 1973, and is listed as a national public entity in schedule 3A of the Public Finance Management Act, 1999, as amended, (PFMA).

The CHE members act as the accounting authority in terms of the PFMA.

### 2. MEMBERS AND SECRETARY OF THE ENTITY

#### *Executive member*

S Badat (Chief Executive Officer)

#### *Non-executive members*

HP Africa

N Badsha

A Canca

SF Coetzee

B Figaji

JA Glennie

SBA Isaacs

T January-McLean (until 31 January 2005)

A Kaniki

MC Koorts

S Macozoma (Chairperson)

J Mamabolo

V Nhlapo (until 31 March 2005)

AM Perez

MF Ramashala

SJ Saunders

The secretary of the group is Prof. S Badat and his business and postal addresses are as follows:

#### **Business address:**

210 Didacta Building

211 Skinner Street

Pretoria

0001

#### **Postal address:**

P O Box 3554

The Tramshed

Pretoria

0126

### 3. ORGANISATIONAL STRUCTURE

The CHE comprises of the Council, an Executive Committee, and a Secretariat headed by the CEO. The Higher Education Act assigned to the CHE statutory responsibility for quality assurance and quality promotion in higher education, to be carried out through a permanent body, the Higher Education Quality Committee (HEQC).

CHE activities are undertaken through CHE *Standing Committees, Task Teams* and *Projects*.

## 4. PRINCIPAL RESPONSIBILITIES

The *Higher Education Act* and the *Education White Paper 3* of 1997 establish the **responsibilities** of the CHE. These include:

- Advising the Minister on all HE issues on which the CHE's advice is sought;
- Advising the Minister on its own initiative on HE issues which the CHE regards as important;
- Designing and implementing a system for quality assurance in HE and establishing the HEQC;
- Advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration;
- Advising the Minister in particular on the new funding arrangements for HE and on language policy in HE;
- Developing a means for monitoring and evaluating whether, how, to what extent and with what consequences the vision, policy goals and objectives for HE defined in the White Paper on HE are being realised;
- Promoting the access of students to HE;
- Providing advice to the Minister on the proposed new Education Management Information System for HE;
- Formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the White Paper;
- Formulating advice for the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating South Africa's economy, such as greater HE-industry partnerships;
- Appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HE institutions;
- Establishing healthy interactions with HE stakeholders on the CHE's work
- Producing an Annual Report on the state of HE for submission to parliament;
- Convening an annual consultative conference of HE stakeholders;
- Participating in the development of a coherent human resource development framework for South Africa in concert with other organisations;
- Contributing to the development of HE through publications and conferences.

## 5. REVIEW OF OPERATIONS

The amount of revenue increased by 10% for the year amounting to R24 641 625 as a result of an increase in the government grant as well as an increase in private accreditation cost recovery income.

## 6. REVIEW OF FINANCIAL POSITION

The CHE derived its operating income from four sources:

- R18 000 000 (73%) from the National Treasury (through the Department of Education)
- R 4 459 974 (18%) from donors
- R 532 754 (2%) from sundry income
- R 1 648 896 (7%) from statutorily mandated quality assurance services provided to the providers to private higher education on a cost-recovery basis.

With respect to spending, 94% of the 2004-2005 operating income of R24 641 625 was expended in the execution of responsibilities. Of the total expenditure of R23 465 936, expenses incurred on quality assurance activities constituted 68%, while the advisory, monitoring and reporting functions of the CHE and financial and administrative operations constituted 32%.

Personnel costs constituted 59% and the bulk of overall CHE expenditure. This is appropriate since CHE activities are knowledge and information intensive and therefore also personnel intensive.

# ACCOUNTING AUTHORITY REPORT

However, since payments to programme accreditation evaluators and consultants on advisory, monitoring and reporting projects are made from donor and project budgets, the actual expenditure on all personnel was higher. Other major areas of expenditure were programme accreditation and co-ordination (7%) advisory, monitoring and higher education development projects (5%), quality promotion and capacity development (8%) and institutional audits (3%). Almost 3% of total expenditure was on the development of an information and communication technology infrastructure, including data management systems and databases for key CHE activities.

## **Going Concern**

The CHE will be able to meet its mandate due to the recent institutionalization of quality assurance funding.

## **Events Subsequent to Balance Date**

The directors are not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position or the results of its operations.

## **7. ADDRESSES**

The entity's business, postal and registered addresses are as follows:

<b>Business address:</b>	<b>Postal address:</b>	<b>Registered address:</b>
Didacta Building	P O Box 3554	Didacta Building
211 Skinner Street	The Tramshed	211 Skinner Street
Pretoria	Pretoria	Pretoria
0001	0126	0001

## **8. APPROVAL**

The annual financial statements set out on pages 89 to 102 have been approved by the Accounting Authority

*Name:* **Mr Saki Macozoma**

*Title:* **Chairperson of the CHE Council**

*Date:* **31 May 2005.**

# COUNCIL ON HIGHER EDUCATION

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005	2004
		R	R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>1,126,698</b>	893,958
Property, Plant and Equipment	2	1,126,698	893,958
<b>Current assets</b>		<b>17,116,274</b>	23,021,301
Trade and other receivables	3	1,623,173	1,330,287
Prepayments	4	75,749	-
Short term investments	5.1	13,871,662	20,893,054
Cash and cash equivalents	5.2	1,545,690	797,960
<b>Total Assets</b>		<b>18,242,972</b>	23,915,259
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>13,533,476</b>	11,275,547
Distributable reserves		9,057,995	6,800,066
Sertec Reserves		4,475,481	4,475,481
<b>Non-current liabilities</b>		<b>3,810,237</b>	12,199,749
Deferred income	6	3,810,237	12,199,749
<b>Current Liabilities</b>		<b>899,259</b>	439,963
Trade and other payables		428,919	366,663
Provisions	7	470,340	73,300
<b>Total equity and liabilities</b>		<b>18,242,972</b>	23,915,259

# COUNCIL ON HIGHER EDUCATION

ABRIDGED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	<b>Notes</b>	<b>2005</b>	<b>2004</b>
		<b>R</b>	<b>R</b>
<b>Operating income</b>	8	<u><b>24,641,624</b></u>	<u>22,420,035</u>
<b>Operating surplus</b>	9	<b>1,175,688</b>	3,364,615
Net finance income	10	<b>1,082,241</b>	1,248,484
<b>Surplus for the year</b>		<u><b>2,257,929</b></u>	<u>4,613,099</u>

# COUNCIL ON HIGHER EDUCATION

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2005

### Notes

		<b>Sertec Reserves</b>	<b>Distributable Reserves</b>	<b>Total</b>
Balance at 1 April 2003		4,475,481	6,341,459	10,816,940
Correction of fundamental error	11	<u>-</u>	<u>(4,154,494)</u>	<u>(4,154,494)</u>
Restated balance at 1 April 2003		4,475,481	2,186,965	6,662,446
Net surplus for the year		-	4,613,099	4,613,099
Balance at 1 April 2004		<u>4,475,481</u>	<u>6,800,064</u>	<u>11,275,545</u>
Correction of opening balance	12	<u>-</u>	<u>2</u>	<u>2</u>
Restated balance at 1 April 2004		4,475,481	6,800,066	11,275,547
Net surplus for the period		-	2,257,929	2,257,929
Balance at 31 March 2005		<u><u>4,475,481</u></u>	<u><u>9,057,995</u></u>	<u><u>13,533,476</u></u>

# COUNCIL ON HIGHER EDUCATION

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	<b>Notes</b>	<b>2005</b>	<b>2004</b>
		<b>R</b>	<b>R</b>
<b>Cash flows from operating activities</b>			
<b>Cash generated from (used in ) operations</b>	14	<b>(6,777,086)</b>	<b>6,252,347</b>
Investment income		1,082,241	1,248,484
<b>Net cash generated (used in) operating activities</b>		<b><u>(5,694,845)</u></b>	<b><u>7,500,831</u></b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	2	(578,817)	(386,651)
Proceeds on disposal of property, plant and equipment		-	351
<b>Net cash outflow from investing activities</b>		<b><u>(578,817)</u></b>	<b><u>(386,300)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(6,273,662)</b>	<b>7,114,531</b>
<b>Cash and cash equivalents at beginning of year</b>		<b><u>21,691,014</u></b>	<b><u>14,576,483</u></b>
<b>Cash and cash equivalents at end of year</b>	5	<b><u>15,417,352</u></b>	<b><u>21,691,014</u></b>

## Accounting Policies

for the year ended 31 March 2005

### 1. Accounting policies

The Annual Financial Statements have been prepared in accordance with Statements of Generally Accepted Accounting Practice and the Public Finance Management Act, Act 1 of 1999 as amended.

The following are the principle accounting policies of the entity which are, in all material respects, consistent with those applied in the previous year, except as otherwise stated.

#### 1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis.

#### 1.2 Currency

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

#### 1.3 Revenue

Revenue represents state subsidy received from the DoE, donations received and fees charged for accreditation of courses provided by Private Higher Education providers. Charges for accreditation are recognised when work done is billed to providers and excludes Value Added Taxation. Income received from grants, donations and income for specific projects are recorded as deferred income and disclosed on the balance sheet with non-current liabilities. These income are brought to the income statement in the financial period, when the CHE is entitled to use these funds.

#### 1.4 Irregular and fruitless and wasteful expenditure

All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

#### 1.5 Property, plant and equipment

Tangible assets are stated at historical cost less accumulated depreciation. Subsequent expenditure relating to an item of property and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. Depreciation on property, plant and equipment is written off using the straight line basis which are deemed reasonable for the asset to be written off over its estimated useful life. All assets costing R2 000 or less are written off to R1,00 in the year of the acquisition. Computer software are written off in full when purchased. The depreciation rates are:

Furniture and fittings	- 10%
Computer equipment	- 33.33%
Office equipment	- 20%

#### 1.6 Financial instruments

Measurement Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

The entity's principal financial assets are trade receivable and cash and cash equivalents.

##### Trade receivables

Trade and other receivables originated by the council are stated at cost less provision for doubtful debts.

##### Cash and Cash equivalents

Cash and cash equivalents are held with registered banking institutions that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.

#### 1.7 Provisions

Provisions are recognised when the Council on Higher Education has a present legal or constructive obligation when, as a result of past events for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

#### 1.8 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.



# COUNCIL ON HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

## 2. Property, plant and equipment

2005	Notes	Computer equipment	Office equipment	Furniture & fittings	Total
Carrying amount at the beginning of the year		248,911	163,382	481,665	893,958
Cost		635,816	258,144	534,188	1,428,148
Accumulated depreciation		(386,905)	(94,762)	(52,523)	(534,190)
Additions		317,935	35,346	225,536	578,817
Disposals		-	-	-	-
Depreciation for the year		(222,049)	(53,328)	(70,700)	(346,077)
Carrying amount at end of the year		344,797	145,400	636,501	1,126,698
Cost		953,751	293,490	759,723	2,006,964
Accumulated depreciation		(608,954)	(148,090)	(123,222)	(880,266)
<b>2004</b>		<b>Computer equipment</b>	<b>Office equipment</b>	<b>Furniture &amp; fittings</b>	<b>Total</b>
Carrying amount at the beginning of the year		368,082	197,384	196,863	762,329
Cost		575,084	243,042	223,371	1,041,497
Accumulated depreciation		(207,002)	(45,658)	(26,508)	(279,168)
Additions		60,732	15,102	310,817	386,651
Disposals		-	-	-	-
Depreciation for the year		(179,903)	(49,104)	(26,015)	(255,022)
Carrying amount at end of the year	13	248,911	163,382	481,665	893,958
Cost		635,816	258,144	534,188	1,428,148
Accumulated depreciation		(386,905)	(94,762)	(52,523)	(534,190)

# COUNCIL ON HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	<b>2005</b>	<b>2004</b>
	<b>R</b>	<b>R</b>
<b>3. Trade and other receivables</b>		
Staff loans	74,756	64,299
Accrued income	113,379	592,715
Other receivables	1,435,038	673,273
	<b>1,623,173</b>	<b>1,330,287</b>
<b>4. Prepayments and advances</b>		
Prepayments	75,749	-
<b>5. Cash and Cash Equivalents</b>		
<b>5.1 Short term investments</b>		
Marketlink: CHE	410,915	9,135,279
Marketlink: Ford Foundation	1,772,234	1,635,176
Marketlink: CHE Reserve Account	514,325	3,233,688
Marketlink: Rockefeller Foundation	575,129	1,022,686
Marketlink: Carnegie Foundation	704,613	948,160
Marketlink: Private Provider Accreditation Corporation for Public Deposits	1,084,604	1,024,448
	8,809,842	3,893,617
	<b>13,871,662</b>	<b>20,893,054</b>
<b>5.2 Cash and Cash Equivalents</b>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash on hand and balances with banks	1,545,690	797,960
	<b>1,545,690</b>	<b>797,960</b>
<b>6. Deferred income</b>		
<b>Donations/projects roll-over</b>		
CHERI - HE in Transformation	47,003	47,003
Rockefeller Foundation	635,062	743,409
Ford - UEM	24,339	35,638
Ford - HE Designation	22,960	223,473
Ford - Monitoring	1,413,516	1,803,291
Ford - Regulation Autonomy Freedom	317,064	0
Nuffic/Cenesa	-	27,435
Ford - Quality Promotion	350,720	986,066
Carnegie - Quality Assurance Capacity Development	952,786	1,008,713
Private Accreditation cost recovery	46,787	204,721
	3,810,237	5,079,749
<b>Government Grants</b>	-	7,120,000
	<b>3,810,237</b>	<b>12,199,749</b>

# COUNCIL ON HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	<b>Bonus Provision R'000</b>	<b>Leave Pay Provision R'000</b>	<b>Total R'000</b>
<b>7. Provisions</b>			
Opening balance	73,300	-	73,300
Utilisation of provision during the year	(73,300)	-	(73,300)
Provisions made during the year	86,250	384,090	470,340
Closing balance	<b>86,250</b>	384,090	470,340

The leave pay provision relates to vesting leave pay to which employees may become entitled upon leaving the employment of the CHE. The provision is utilised when employees become entitled to and are paid for the accumulated leave pay or utilise compensated leave due to them. The bonus payable is determined by applying a specific formula based on the structure of the employees salary.

## 8. Revenue

SA Government grant	18,000,000	15,571,344
Donations received	4,459,974	4,710,852
Sundry income	532,754	545,077
Private accreditation cost recovery	1,648,896	1,592,411
Profit on disposal of property, plant and equipment	-	351
	<b>24,641,624</b>	<b>22,420,035</b>

## 9. Operating surplus is stated after taking the following into account:

<b>Auditor's remuneration</b>	<b>79,610</b>	34,501
Depreciation	<b>346,077</b>	<b>255,022</b>
- computer equipment	222,049	179,903
- office equipment	53,328	49,104
- furniture	70,700	26,015
<b>Operating lease payment</b>	<b>1,162,944</b>	<b>850,558</b>
- Equipment	100,988	100,353
- Building	1,061,956	750,205
<b>Directors' emoluments (Note 16)</b>	<b>1,496,519</b>	<b>1,483,317</b>
Executive Directors	1,337,355	<b>1,343,223</b>
Remuneration of chair	159,164	140,094

# COUNCIL ON HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	<b>2005</b>	<b>2004</b>
	<b>R</b>	<b>R</b>
<b>10. Net finance income</b>		
Interest received	1,082,241	1,248,484
	<b>1,082,241</b>	<b>1,248,484</b>
<b>11. Fundamental error</b>		
Interest received on Carnegie donations was incorrectly stated under Distributable reserves instead of Carnegie donations.	-	1,376,150
Rollover funds on government grants for 2003 should have been deferred to 2004.	-	2,778,344
	<b>-</b>	<b>4,154,494</b>
<b>12. Distributable reserves - correction of error</b>		
Restatement of opening balance due to rounding of figures	2	-
	<b>2</b>	<b>-</b>
<b>13. Fixed Assets - correction of error</b>		
Restatement of opening balances of fixed assets due to rounding of figures.	2	-
	<b>2</b>	<b>-</b>

# COUNCIL ON HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	<b>2005</b>	<b>2004</b>
	<b>R</b>	<b>R</b>
<b>14. Cash generated from (used in) operating activities</b>		
Surplus for the year	2,257,929	4,613,099
Adjustment for the following:		
Depreciation	346,077	255,022
Investment income	(1,082,241)	(1,248,484)
Profit on sale of property, plant and equipment	-	(351)
Fundamental error		(4,154,494)
	<b>1,521,765</b>	(535,208)
<b>Operating cash flows before working capital changes</b>		
	<b>(8,298,851)</b>	6,787,555
<b>Changes in working capital</b>		
(Increase) in trade and other receivables	(368,635)	(846,967)
Increase/(decrease) in trade and other payables	(7,930,216)	7,634,522
	<b>(6,777,086)</b>	6,252,347

## 15. Operating lease arrangements

At the balance sheet date the Council on Higher Education had outstanding commitments under non-cancellable operating leases, which fall due as follows:

### 15.1 Equipment

Minimum lease payments

Payable: within 1 year	<b>120,272</b>	101,429
1-3 years	<b>59,580</b>	84,524
	<b>179,852</b>	185,953

The Council on Higher Education is leasing equipment from Kyocera Mita for a period of three years, effective from 27 January 2003. The average lease payment is R8,452.40 per month. The Council on Higher Education is also leasing equipment from Toshiba Copiers for a period of 3 years, effective from 7 December 2004. The average lease payment is R2,979.00 per month.

# COUNCIL ON HIGHER EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

	<b>2005</b>	<b>2004</b>
	<b>R</b>	<b>R</b>
<b>15.2 Buildings</b>		
Minimum lease payments		
Payable: within 1 year	<b>1,075,676</b>	633,696
1-5 years	<b>4,142,349</b>	2,272,700
	<b>5,218,025</b>	2,906,396

The Council on Higher Education leases part of a building from SAASTA for a period of 5 years, effective from 1 May 2003 to April 2008. The lease payment is R89,046.00 per month with an increase of 8 % on 1 May of each year. The rental area increased to 2075 square meters from 1200 square meters.

## 16. Irregular and fruitless and wasteful expenditure

No fruitless and wasteful expenditure were incurred during the year ended 31 March 2005.

## 17. Director's emoluments

<b>Chief Executive Officer</b>	<b>616,247</b>	697,380
- Salary	<b>352,491</b>	327,690
- Bonuses and performance rewards	<b>46,690</b>	71,359
- Expense allowance	<b>2,500</b>	2,500
- Pension contributions	<b>52,800</b>	48,900
- Other benefits	<b>161,766</b>	246,932
 <b>Executive Director</b>	 <b>721,107</b>	 645,843
- Salary	<b>432,189</b>	432,189
- Bonuses and performance rewards	<b>136,106</b>	61,016
- Pension contributions	<b>71,311</b>	71,311
- Other benefits	<b>81,501</b>	81,327
 <b>Remuneration of chairpersons</b>		
- Fees for services	<b>159,164</b>	140,094
- Remuneration of Chair - CHE	<b>62,880</b>	43,563
- Remuneration of Chair - HEQC	<b>96,284</b>	96,531

## 18. Non-adjusting event after the balance sheet date

The CHE will be deregistering for VAT from 1 April 2005 due to amendments to the VAT act. The CHE is not required to pay output VAT on the value of its assets upon deregistration, as relief has been received in terms of section 8(2)(iv) of the VAT act.

# COUNCIL ON HIGHER EDUCATION

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	<b>2005</b>	<b>2004</b>
	<b>R</b>	<b>R</b>
<b>Operating income</b>	<b>25,723,865</b>	<b>23,668,519</b>
SA Government grant	18,000,000	15,571,344
Donations received	4,459,974	4,710,852
Profit on disposal of non-current asset	-	351
Sundry income	532,754	545,077
Private accreditation cost recovery	1,648,896	1,592,411
Interest received	1,082,241	1,248,484
<b>Less Operating expenditure</b>	<b>23,465,936</b>	<b>19,055,420</b>
Accreditation and Co-ordination Programme	1,561,297	2,021,681
Administration	338,298	231,925
Advisory Programme	253,420	173,517
Audit fees	79,610	34,501
Bank charges	32,163	39,696
Consultants	3,339,857	3,841,496
Computer expenses	716,179	512,403
Conferences and workshops	270,153	369,527
Depreciation	346,077	255,022
Development of HE	282,743	411,621
General Co-ordination Programme	324,806	51,628
Governance	258,116	153,127
Institutional Audit Programme	611,050	173,922
Insurance	154,570	131,490
Lease - Photocopier	100,988	100,353
Legal fees	259,748	103,700
Media and communication expenses	318,640	201,556
Monitoring and Evaluation Programme	275,229	126,367
Office Relocation	-	124,082
Quality Promotion and Capacity Development	1,774,169	1,141,265
Recruitment	46	99,601
Rent and services	1,226,915	818,071
Remuneration of Chair	159,164	140,094
Resource centre	21,027	16,035
Road accident expenses	776	748
Salaries	10,125,635	7,372,561
Staff benefits - computers	9,821	16,103
Staff benefits and contributions	238,325	71,380
Staff development	120,314	114,378
Staff relocation	91,217	5,000
Write-offs on assets less than R2000	175,583	202,570
<b>Surplus for the year</b>	<b>2,257,929</b>	<b>4,613,099</b>

**SCHEDULE OF DONOR-FUNDED PROJECT ROLL-OVER AS AT 31 MARCH 2005**

PROJECT	FUNDER	Balance as	Adjustments	Current	Current year	Balance as
		at 31 March 2004	to opening balances	year received	expenses incurred	at 31 March 2005
		R	R	R	R	R
Quality Assurance Capacity Development	Carnegie Foundation	(1,008,713)	(59,967)	(1,019,675)	1,135,569	(952,786)
HE in Transformation of Societies	CHERI	(47,003)	0	0	0	(47,003)
HE Designation	Ford	(223,473)	143,473	0	57 040	(22,960)
Distance Education	Ford	0	(143,473)	0	143,473	0
Monitoring Goals & Objectives	Ford	(1,803,291)	0	0	389,775	(1,413,516)
Quality Promotion	Ford	(986,066)	0	0	635,346	(350,720)
UEM Project -						
South African Networking	Ford	(35,638)	0	0	11,299	(24,339)
10 Year Democracy Colloquium	Ford	0	0	(166,509)	166,509	0
10 Years of Democracy HE Report	Ford	0	0	(150,405)	150,405	0
Regulation Autonomy Freedom	Ford	0	0	(317,334)	270	(317,064)
Distance Education	British Council	0	0	(45,340)	45,340	0
Benchmarking of Research Quality	NUFFIC/CENESA	(27,435)	0	0	27,435	0
HE Triennial Review	The Rockefeller Foundation	(743,409)	0	(328,811)	437,158	(635,062)
Private Accreditation	Cost Recovery	(204,721)	0	(1,653,257)	1,811,191	(46,787)
<b>TOTAL</b>		<b>(5,079,749)</b>	<b>(59,967)</b>	<b>(3,681,331)</b>	<b>5,010,810</b>	<b>(3,810,237)</b>