COUNCIL ON HIGHER EDUCATION

QUARTERLY REPORT TO THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING (DHET)

1 APRIL 2016 – 30 JUNE 2016

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1 Quintin Brand Street, Persequor Technopark, Pretoria

P O Box 94, Persequor Park, Pretoria, 0020

Tel: +27 12 349-3861 Fax: +27 12 349-3942 , e-mail : ceo@che.ac.za

1. INTRODUCTION

The Council on Higher Education (CHE) operates as a national entity under Schedule 3A of the Public Finance Management Act (PFMA) 1 of 1999, as amended. It adheres to principles of good governance, financial and performance management and is held accountable for these to the Parliament of the Republic of South Africa. The CHE was established as a juristic person in terms of section 4 of the Higher Education Act (101 of 1997). In summary, the main areas of work of the CHE are:

- To provide advice to the Minister of Higher Education and Training on all higher education matters at his request and proactively.
- To monitor the state of the higher education system in relation to the goals of national policies and international trends.
- To contribute to the development of higher education through intellectual engagement with key issues through research, publications and conferences and in partnership with relevant stakeholders.
- To develop and implement a system of quality assurance for all higher education institutions, including private providers of higher education, which focuses on programme accreditation, institutional audits, national reviews, and capacity development and quality promotion.
- To develop and manage the Higher Education Qualifications Sub-Framework (HEQSF) and to develop and set standards, including naming conventions for all higher education qualifications.

2. CEO'S OFFICE AND ORGANISATIONAL MATTERS

2.1 STRATEGIC PROJECTS IN THE OFFICE OF THE CEO

2.1.1 Governance Challenges in Public Higher Education

The research on governance and management challenges in higher education, which focuses on the size, composition and role of university councils, including comparative international experience on codes of conduct for councils, has been discussed with Council and further research is being undertaken to inform potential advice on this matter.

2.1.2 Development of a framework to govern the tripartite relationship involving the CHE, professional councils and higher education institutions

A working group on the tripartite relationship involving the CHE, professional councils and higher education institutions was established in 2014 to come up with mechanisms to improve the working relationship of these three key role players in the area of accreditation of professional higher education programmes. The working group asked the CHE to draft a framework that, once finalised and adopted, would govern the tripartite relationship.

The first draft of the framework was completed and circulated to members of the working group for inputs and comments. A meeting of the working group was held in November 2015, where the members' inputs and comments on the draft were discussed. The meeting resolved that the draft needs to be improved taking into consideration the inputs received. It also agreed that the second draft should be finalised during the first quarter of 2016.

A draft framework was developed and presented to key stakeholders at a workshop in March 2016. Professional bodies were also asked to submit written comments on the framework. These comments are being analysed and used in making refinements to the draft framework.

Once these revisions are completed, a meeting of the working group will be convened to finalise the framework for adoption.

2.1.3 Development of a guide document for the quality management of short courses

The year-long process of developing a good practice guide for the quality management of short courses that do not lead to qualifications on the Higher Education Qualifications Sub-Framework (HEQSF) was completed. The HEQC approved the publication and release of the good practice document. It will be published on the CHE website, and bound hardcopies will also be produced.

2.1.4 Development of Policies on Recognition of Prior Learning (RPL), Credit Accumulation and Transfer (CAT) and Assessment

The *2014/15 Ministerial Guidelines to Address Priorities for the National Qualifications Framework* required the three Quality Councils to develop and publish policies on Recognition of Prior Learning (RPL), Credit Accumulation and Transfer (CAT) and Assessment for their respective NQF sub-frameworks 'within six months from SAQA finalising their policies'.

Over the last eighteen months, the CHE has undertaken the process of developing the policies on RPL, CAT and Assessment for the education sector. The HEQC finally recommended the policies to Council for approval; and subsequently at its meeting on 30 June 2016, Council approved the policies for publication and release. The policy document has since been sent to the printers. Public universities and the private higher education institutions will be workshopped on these policies in August 2016.

2.1.5 Submission of Comments on Official DHET Documents

The CHE compiled and submitted to the DHET comments on the 'Draft National Qualifications Framework Amendment Bill, 2016', and on the " Draft Articulation Policy, 2016'. It now awaits feedback from the Department on the comments made.

2.1.6 NQF-related activities

The CEO of the CHE is part of the steering committee that is overseeing the 'Implementation Evaluation of the NQF Act' project. DNA Economics, a research company, has been appointed to conduct the evaluation on behalf of the DHET and the Department of Planning, Monitoring and Evaluation (DPME). Two meetings of the steering committee took place in May 2016.

The CEO also attended Council meetings of Umalusi and the QCTO, and Board meeting of SAQA; as well as the CEO Committee meeting. He also participated in SAQA's 20th anniversary celebration events in Cape Town from 17 to 19 May 2016. This included attending the Groningen Declaration Annual Meeting for 2016, which formed part of the SAQA's 20th anniversary celebrations events.

The CHE also took part in the activities of the NQF Advocacy and Communication Sub-Committee, through its representative, Dr Marianne Engelbrecht. Similarly, Dr Amani Saidi serves on the reference group that is overseeing the development of credit accumulation and transfer (CAT) policy for the occupation qualification sub-framework (OQSF) at the QCTO, and attended its workshop in June 2016.

2.1.7 International Conferences

One staff members travelled internationally during this quarter.

Prof Narend Baijnath attended a meeting of the Advisory Board of the Harmonisation of African Higher Education Quality Assurance and Accreditation (HAQAA) – a joint African Union (AU) and European Union (EU) initiative in Brussels on 26 -27 April 2016.

Prof Narend Baijnath attended the Commonwealth of Learning Board meeting in Vancouver, Canada on 8 and 9 June 2016.

2.2 Governance and Management Issues

2.2.1 Meetings

Five governance meetings were held during this quarter

- 19 April 2016 Audit and Risk Committee (ARC)
- 29 April 2016 Executive Committee (EXCO)
- 24 May 2016 Audit and Risk Committee (ARC)
- 26 May 2016 Executive Committee (EXCO)
- 30 June Council

3. MONITORING AND EVALUATION

3.1 Research Projects

3.1.1 Higher Education Performance Indicators

VitalStats 2014 was completed and the procurement process for printing was initiated.

3.1.2 Student Governance at Public Higher Education Institutions

A background report based on the research undertaken in this project was discussed and work was initiated towards developing a paper to be used as the basis of a colloquium in the second half of the financial year.

3.1.3 Review of the State of Higher Education: 1994-2014

The Review was disseminated in this quarter.

3.1.4 Reflections on Academic Leadership

This publication was disseminated in this quarter.

3.1.5 Kagisano

An issue of the CHE's journal, *Kagisano*, was disseminated in this quarter.

3.1.6 Regulation of Fees

Monitoring and Evaluation staff were involved in taking the Regulation of Fees project forward in various ways – from commissioning and carrying out research to writing up a draft advice document. This project was initiated in response to a request for advice from the Minister and is being run from the CEO's office.

3.2 Other activities

3.2.1 Dr Denyse Webbstock continued to serve as a member of the Task Team that is developing the National Plan for Higher Education. This is envisaged to be an 18-month long process, with monthly meetings and reading and preparation of documents in between.

3.2.2 Nine draft chapters for a proposed CHE Monitor on empirical research into teaching in higher education were presented by their authors to Dr Webbstock in Cape Town on 31 May 2016.

3.2.3 Dr Denyse Webbstock presented a paper on *Challenges in access to higher education* at a post-conference workshop at the Going Global international higher education conference which was held in Cape Town from 4-6 May 2016.

3.3 HEQCIS: Data Collection

Since inception:

Of the 160 institutions that had started using the system, 132 institutions1 (i.e. 97% of all 136 unique PHEIs that are expected to use the system) had submitted at least one full data load each. The total numbers loaded onto the HEQCIS, thus far, were 379 864 learners with 410 940 qualification uptake results (103 735 achievements and 282 319 enrolments) between them (a further 24 886 were shown as de-enrolled), an increase of 32 022 learners loaded thus far during the second quarter of first cycle2 of 2016 (the "current cycle").

Most recent data-load cycle:

The pool for the current cycle (which came to an end on 15 June 2016) is made up of 121 unique PHEIs. Of the 121 registered institutions using the system, 104 institutions (i.e. 86% of all unique PHEIs, which is a higher percentage than last year at the same time) have successfully submitted at least one full data load each, within the current cycle. The total numbers3 loaded during the current cycle are 310 331 learners with 353 543 qualification uptake results (96 642 achievements and 233 330 enrolments) between them (a further 23 571 were shown as de-enrolled).

The overall total number of learners increased by 32 022 since the previous quarter, and the total number of qualification uptake results increased by 39 230 (7 491 achievements, 31 314 enrolments and 425 de-enrolments).

3.4 Private Higher Education Management Information System

The private providers continued to upload data to the new fields in the system in this quarter, and the reporting function was used by a number of staff for research and accreditation purposes.

4. QUALITY PROMOTION AND CAPACITY DEVELOPMENT

4.1 CHE/HELTASA National Teaching Excellence Awards for 2016

Every year the CHE in collaboration with the Higher Education Learning and Teaching Association of Southern Africa (HELTASA) organises the National Teaching Excellence Awards. The CHE manages the processes and logistics of the CHE/HELTASA Awards. It also provides,

1 These include four institutions that were de-registered after their first loads.

2 The first cycle of 2016 was 16 December 2015 to 15 June 2016 ("current"). The second cycle will be 16 June to 15 December 2016.

3 Every time an institution loads any data to the HEQCIS, it submits its entire dataset. At the same time, not all institutions submit data in every cycle (although the minimum standard says that they must). Furthermore, some institutions submit a full dataset, with absolutely no changes since the previous submission.

from its budget, the cash prizes for the Awards. Each year, five Awards are handed out, each with R30 000 cash prize.

The call for nominations for 2016 was circulated to public universities. Thirty one submissions from fifteen universities were received and will be discussed by the committee on 12 August.

4. 2 European Union (EU) Dialogue Facility Bridging Phase Funding Proposals

The CHE, in collaboration with the DHET, submitted two proposals to the EU for the Dialogue Facility Bridging Phase funding. One proposal was on the development of a framework through which the interaction, coordination and collaboration among professional bodies, the Quality Councils, industry, government departments and post school education and training institutions can be enhanced to produce more professional graduates. The intended outcome of the proposed project is a regulatory framework which will provide direction for further agreements among the different role players, and which inform the alignment of strategy, policy, funding and quality of delivery.

The second proposal was about developing a national system for improving the effectiveness of university teaching through assessment and accreditation of academics as teachers. The proposed project will initiate a strategic dialogue with both national and international experts, organizations and stakeholders on how to raise the status of, and promote quality in, university teaching across the South African higher education sector in order to promote student success. Different possibilities and options would be explored leading to the development of a national South African system for assessing and accrediting academics as university teachers.

The pre-contracting processes were finalised, including the development of the terms of reference. The contracting process was initiated and is currently underway. It is expected that the contracts will be signed by 25 August 2016.

4.3 3rd Southern African Regional Conference on Quality Assurance in Higher Education

At the 2nd Southern African Regional Conference on Quality Assurance in Higher Education which was held in Botswana in October 2015, the CHE was requested the Southern African Quality Assurance Network (SAQAN) to organise the 3rd annual regional conference in 2016. A proposal was therefore developed, which was subsequently approved by Council. The CHE is working closely with SAQAN to organise the conference whose theme is *'Quality Promotion and Capacity Development in Higher Education in Southern Africa: Concepts, Perspectives and Practice'*. The conference will take place in October 2016.

The work of organising the conference continued. The CSIR International Convention Centre was acquired as the venue for conference. Funds were received from the NRF to pay for travel and other conference expenses for the four key note speakers that are coming from countries outside South Africa.

4.4 CHE Newsletter

The third issue of the CHE electronic newsletter was produced and distributed to stakeholders during the month of June. The newsletter adds to a number of existing media that the CHE uses to inform its stakeholders about developments at the CHE and in the field of quality promotion.

4.5 Participation in a National Programme for Developing Research Capacity

The CHE is this year participating in a national programme to build research capacity in various fields of science, social science, humanities and engineering and technology. The programme is funded by the Department of Science and Technology (DST) and is managed by the National Research Foundation (NRF). Popularly known as the 'DST-NRF National Internship Programme', its goal is to afford unemployed science, social science, humanities, engineering and technology graduates and postgraduates an opportunity to acquire practical research work experience and improve their competencies through mentoring and hands-on exposure to research environments. Through a partnership with the Southern African Research and Innovation Management Association (SARIMA), the scope of the programme has extended to research management, research support and administration at public higher education and research institutions.

The Quality Promotion and Capacity Development programme at the CHE saw in DST/NRF Internship Programme an opportunity to contribute to the development of research capacity among the youth of the country. It therefore accepted the invitation to participate in the programme. Accordingly two interns were assigned to be hosted at the CHE to get involved in research projects under the supervision and mentorship of Dr Amani Saidi, an experienced researcher. The NRF appointed the interns, and it pays their salaries. The CHE, as the host of the interns, provides them with workstations, computers and all other resources that they need for their day-to-day work. One intern is working on a project that seeks to identify the dominant global trends in quality assurance systems and practices in higher education, and assess how these trends can be used to enrich and/or further develop the quality assurance system, tools and practices in South Africa. The other intern is researching the changing philosophy, perspective and practices of quality promotion and capacity development in higher education.

4.4 PROGRAMME ACCREDITATION

4.4.1. Applications Received

Of the 120 new submissions received for processing via the HEQC-online system during this financial quarter, 73 were from public higher education institutions and 47 from private higher education institutions[4]. The number of applications received for accreditation from the public Higher Education Institutions has increased steadily over the last year, particularly in the areas of Education, Business, Economics and Management Studies, and Health Professions and Related Clinical Sciences.

Table 1: New Applications received per NQF level

NQF Level	Number of Applications: Private Providers	Number of Applications: Public Providers
Level 5	11	1
Level 6	11	7
Level 7	12	38
Level 8	10	15
Level 9	1	10
Level 10	2	2
TOTAL	**47**	**73**

[4] New applications received from private higher education institutions and for which payment has been received.

Table 2: New Applications Received per CESM category

CESM Category	Number of Applications: Private Providers	Number of Applications: Public Providers
Agriculture, Agricultural Operations and Related Sciences		6
Architecture and the Built Environment		1
Visual and Performing Arts	1	1
Business, Economics and Management Studies	27	20
Communication, Journalism and Related Studies		
Computer Science and Information Sciences	2	
Education	4	23
Engineering	1	5
Health Professions and Related Clinical Sciences	7	4
Family Ecology and Consumer Sciences		1
Languages, Linguistics and Literature		
Law	1	2
Life Sciences		3
Physical Sciences		2
Mathematics and Statistics		
Military Sciences		
Philosophy, Religion and Theology	2	
Psychology		
Public Management and Services	2	2
Social Sciences		3
TOTAL	**47**	**73**

No HEQC meeting was held this quarter. Originally the HEQC meeting was scheduled to take place in June 2016, but due to the current legal process between CHE and SANTS, the CHE had to reschedule the HEQC to take place on 7 July 2016 to be able to report on the site visits linked to the accreditation of the BEd programmes.

4.4.2 Re-accreditation

Programmes are re-accredited after producing a first cohort of graduates and are thereafter submit a self-evaluation report for subsequent re-accreditation processes. No HEQC meeting was held this quarter. Originally the HEQC meeting was scheduled to take place in June 2016, but due to the current legal process between CHE and SANTS, the CHE had to reschedule the HEQC to take place on 7 July 2016 to be able to report on the site visits linked to the accreditation of the BEd programmes.

4.4.3 HEQSF alignment process

The HEQSF-alignment project is completed a year ahead of schedule. No HEQC meeting was held this quarter. Originally the HEQC meeting was scheduled to take place in June 2016, but due to the current legal process between CHE and SANTS, the CHE had to reschedule the HEQC to take place on 7 July 2016 to be able to report on the site visits linked to the accreditation of the BEd programmes.

4.4.4 Summary of HEQC decisions

The HEQC decisions are generally made on programmes submitted in a previous quarter as the entire accreditation process generally takes up to six months to complete. Therefore, performance targets per quarter indicate the percentage of programme accreditation applications that receive an HEQC outcome within a six-month period of processing by the Accreditation Directorate.

No HEQC meeting was held this quarter. Originally the HEQC meeting was scheduled to take place in June 2016, but due to the current legal process between CHE and SANTS, the CHE had to reschedule the HEQC to take place on 7 July 2016 to be able to report on the site visits linked to the accreditation of the BEd programmes.

4.4.5 Accreditation workshops / meetings with providers

In this quarter the Accreditation Directorate met with different stakeholders regarding their programme accreditation applications, e.g.

- CTI Pearsons
- Embury Teacher Education
- South African Bible College
- Milpark
- UKZN
- AFDA
- Global School of Theology
- Belgium Campus
- Southern Business School
- Mukhanyo
- Centurion Akademie

The Accreditation Directorate also attended meetings with different professional bodies and councils, e.g.

- South African Nursing Council
- Engineering Council of South Africa (ESA)
- Health Professions Council of South Africa (HPCSA)

The Directorate attended various meetings with the Department of Higher Education and Training as well as SAQA as well as a meeting with the Quality Council for Trades and Occupations (QCTO)

During the reporting timeframe, the Directorate arranged site visits to 12 institutions and paid courtesy visits to various institutions in the Western Cape.

The CHE has completed the evaluation of the SANTS BEd material on 2 June 2016 and the site visit on 8 June 2016. All nine learning support centres linked to the two BEd programmes under review were visited on 9 – 10 June 2016.

4.4 National Standards and Reviews

4.4.1 Bachelor of Social Work (BSW) Follow Up

The Directorate received an improvement plan from the NWU on its BSW programme in response to the HEQC report of 30 May 2016. CHE contracted a subject matter expert to conduct a desktop evaluation of NWU's BSW improvement plan. The final evaluator's report is due for submission on 08 July 2016 and it will be tabled at the National Reviews Committee (NRC) meeting on 27 July 2016 for recommendations.

4.4.1.1 Completed and planned BSW Follow Up Site-Visit

Nelson Mandela Metropolitan University

The BSW panel reviewers visited the Nelson Mandela Metropolitan University (NMMU) Summerstrand South campus on the 07 April 2016. After completion of the site-visit, the chairperson of the panel reviewers submitted a final report and it will be tabled at the next NRC meeting for recommendations. The main aim of the NMMU site-visit was to verify the information submitted in the progress report.

University of Venda

A revised progress report from University of Venda (UNIVEN) was submitted on the 24 June 2016. The directorate will conduct -site-visit on the 18 July 2016. The main purpose of the UNIVEN site-visit is to verify the information as submitted in the progress report.

4.4.1.2 BSW Teach-Out Plan

Walter Sisulu University

The Walter Sisulu University (WSU) was requested to submit teach-out plan for their pipeline students and the report was submitted on the 30 June 2016. A WSU analysis report will be tabled at the next National Review Committee for recommendation.

University of Zululand

The University of Zululand (UNIZULU) missed the 30 June 2016 deadline for submission.

4.4.2 National Review of Bachelor of Laws (LLB) Degree

4.4.2.1 LLB Self Evaluation Report (SER)

17 SERs from all the 17 higher education institutions offering an LLB degree were received on the 16 May 2016. The NSR directorate appointed 11 subject matter experts as desktop evaluators. On the basis of the set criteria, mainly conflict of interest considerations, the desktop evaluators were grouped into 4 sub-groups and SERs were allocated accordingly.

4.4.2.2 LLB National Reviews workshops

The CHE invited the 11 desktop evaluators to a workshop on the 7-9 June 2016. The main aim of the workshop was to ensure that there is consistency of interpretation of the set 'guidelines for evaluators' and therefore uniformity of SER evaluation. Following the evaluation workshop, the desktop evaluators were to submit the desktop evaluator's reports on 01 July 2016. It was further emphasized at the workshop, that the main purpose of the desktop evaluation process was to evaluate the LLB programme against the national qualification standard and programme criteria for accreditation as stipulated in the 'guidelines for evaluators'.

4.5 Standards Development

4.5.1 Emergency Care Assistant standards

The department of Health and the Professional Board for the Emergency Care approached the NSR with a view to develop a national standard for Higher Certificate in Emergency Care

Assistant. The Directorate was invited to their annual general meeting on the 28 July 2016 to do a presentation on CHE Standard Development processes.

4.5.2 Engineering standards

The drafted standards for the Engineering qualifications: Bachelor of Engineering Technology and Diploma in Engineering are currently being circulated to the higher education institutions and other interested parties in the sector for comment. It is expected all the comments to be submitted by the end of July 2016. The drafted standard statements will be tabled at the HEQC for final approval later in the year.

4.5.3 Bachelor of Commerce standards

The Commerce Reference Group will have its first meeting to discuss the development of bachelor of commerce standard statements on 13-14 July 2016. The main discussion of the meeting will be to establish a common understanding on the purpose of qualification and graduate attributes expected from the 'revised' Bachelor of Commerce qualification.

4.5.4 Sport Coaching standards

The Sport Coaching Working Group is scheduled to have its third meeting on the 02 August 2016, to further discuss the draft standard statement of the Sport Coaching qualification. The comments from the group members are expected to be incorporated into the standard statement prior to the meeting date.

4.5.5 Doctoral standards

The NSR Directorate will attend a second meeting with the NRF on 01 July 2016. The NRF-CHE met with a purpose to jointly develop a standard statement for the Doctorate qualification. At that meeting, the CHE will present activity Standards Development plan (road map) and proposed budget.

4.6 INSTITUTIONAL AUDITS

4.6.1 Quality Enhancement Project

Final reports for Phase 1 of the QEP have now been received from 23 institutions. Ten one-day QEP institutional visits were conducted in this quarter by two trained peer reviewers and the Director: Institutional Audits. In the previous quarter four institutional visits were conducted, bringing the number of visits since February 2016 to 14. The purpose of the visit is to engage with senior management and key role players in each of the four QEP Phase 1 focus areas on the improvements they are making in the focus areas and in institutional initiatives to improve student success. The table below shows when and where the visits were conducted.

Institution	Date of visit
Central University of Technology	6 April
Nelson Mandela Metropolitan University	11 April
University of Cape Town	13 April
Stellenbosch University	14 April
University of KwaZulu-Natal	21 April
Mangosuthu University of Technology	17 May
Durban University of Technology	18 May
University of Johannesburg	3 June
Tshwane University of Technology	9 June

University of the Witwatersrand	14 June

A meeting of the QEP DVC Forum will be held in the next quarter to discuss the focus areas for Phase 2 of the QEP.

A joint Siyaphumelela-QEP workshop on *Systemic Approaches to Student Success* for DVCs Teaching and Learning and Academic and Directors of Teaching and Learning was held on 28 June 2016 as part of the annual Siyaphumelela conference. Siyaphumelela is a Kresge-funded and SAIDE-managed project to improve data analytics capacity at South African universities in the service of student success. The one-day workshop provided participants with the opportunity to both learn about institutional initiatives that have been shown to substantially increase student success and to discuss what can be done at their own institutions. The workshop presentations were given by Professor Tim Renick, Vice President for Enrolment Management and Student Success at Georgia State University, and the workshop facilitation was done by the Director: Institutional Audits. She and Professor Renick also gave plenary presentations at the conference on 29 June on the same topic.

4.6.2 Ongoing activities from the first cycle of institutional audits

The final resubmitted progress report for North West University was discussed by the Institutional Audits Committee at its meeting on 1 June 2016. The HEQC, on 8 July 2016 approved that the audit be closed. There are two institutions with audits that are still open, Walter Sisulu University and Mangosuthu University of Technology. Final reports from both institutions are due in September 2016.

4.6.3 Auditing of institutional quality assurance mechanisms

At the meeting of the Institutional Audits Committee (IAC) on 1 June 2016 the CEO reported on the process that is being developed to reintroduce institutional audits. He distributed the Terms of Reference for the CHE Institutional Audit Review Working Group and indicated that the recommendations from this group would need to be approved by the IAC and the HEQC. The IAC indicated that the QEP is helping to prepare institutions for future audits by focusing their attention on key institutional issues that impact on student success. The QEP has provided institutions with structured opportunities to reflect on what they are doing and how they can improve, which can then lead to institutions being held accountable for the quality of what they do. Thus future audits can focus not just on institutions' quality assurance mechanisms but also on quality. However, care must be taken to ensure buy-in from the sector and prevent overloading institutions that are already under strain. The role of audits in promoting transformation and the value that is added to the higher education sector needs to be foregrounded.

5. CORPORATE SERVICES

5.1 HUMAN RESOURCES

5.1.1 Employment Profile

The total number of employees at the end of the quarter under review is forty six (46) with six (6) vacancies against fifty two (52) positions on the approved organisational structure. The total number of employees includes two appointments made during the quarter under review. There were no terminations during the period under review. The table below depicts the employment profile as at 30 June 2016:

Salary Band	Number of employees employed at the beginning of the period - 1 April 2016	Number of appointments made during April, May and June 2016	Number of terminations made during April, May and June 2016	Number of employees a employed at the end of the period - 30 June 2016
Top Management	1	0	0	1
Senior Management	7	0	0	7
Professional qualified	10	1	0	11
Skilled	24	1	0	25
Unskilled	2	0	0	2
TOTAL	**44**	**2**	**0**	**46**

Note: The Lines above do not add up horizontally
Second column: Appointments made in the first month of the period under review, e.g. April are included in the number of people employed at the beginning of the period- 1 April 2016.
Third Column: All appointments made in the period April, May and June 2016 are shown.
Fourth Column: Terminations are reported the month after the employee exits. These figures exclude internal promotions.

5.1.2 Employment Equity Profile

The Employment Equity targets for 2016/17 are illustrated in the following graphs. This is a conservative plan due to the size of the organisation and further informed by vacancies. The Employment Equity Committee is currently developing a comprehensive plan for the next three years.

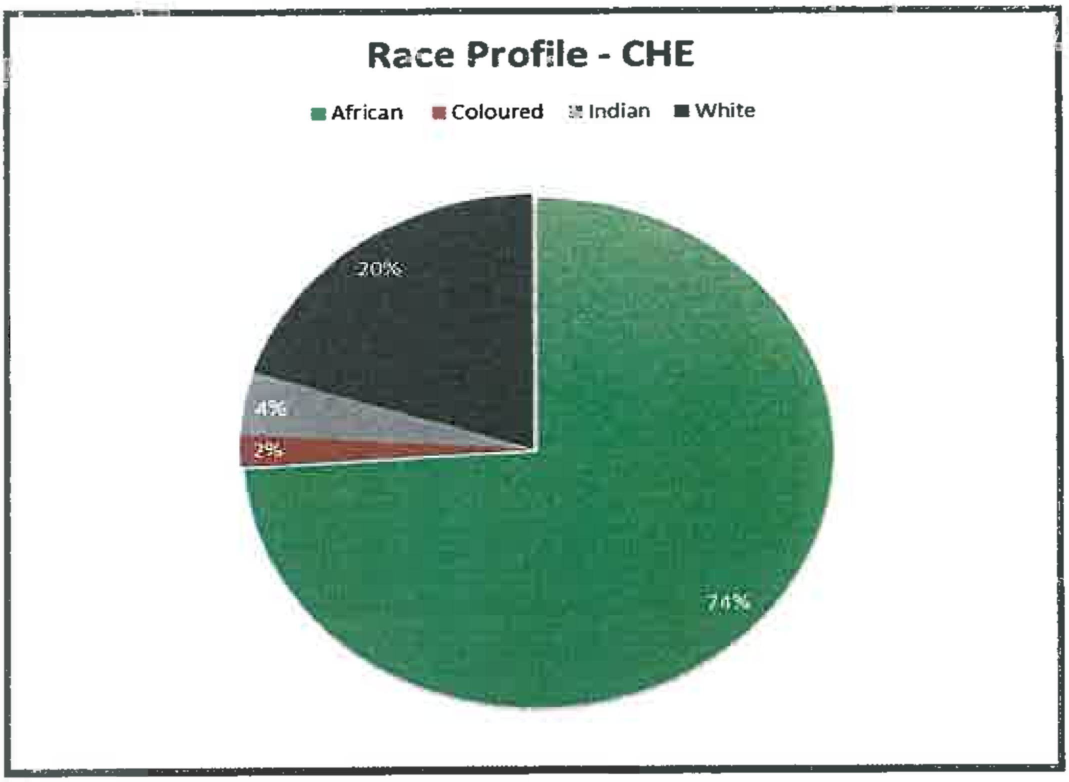
Employment Equity Status and Targets: 2016/17

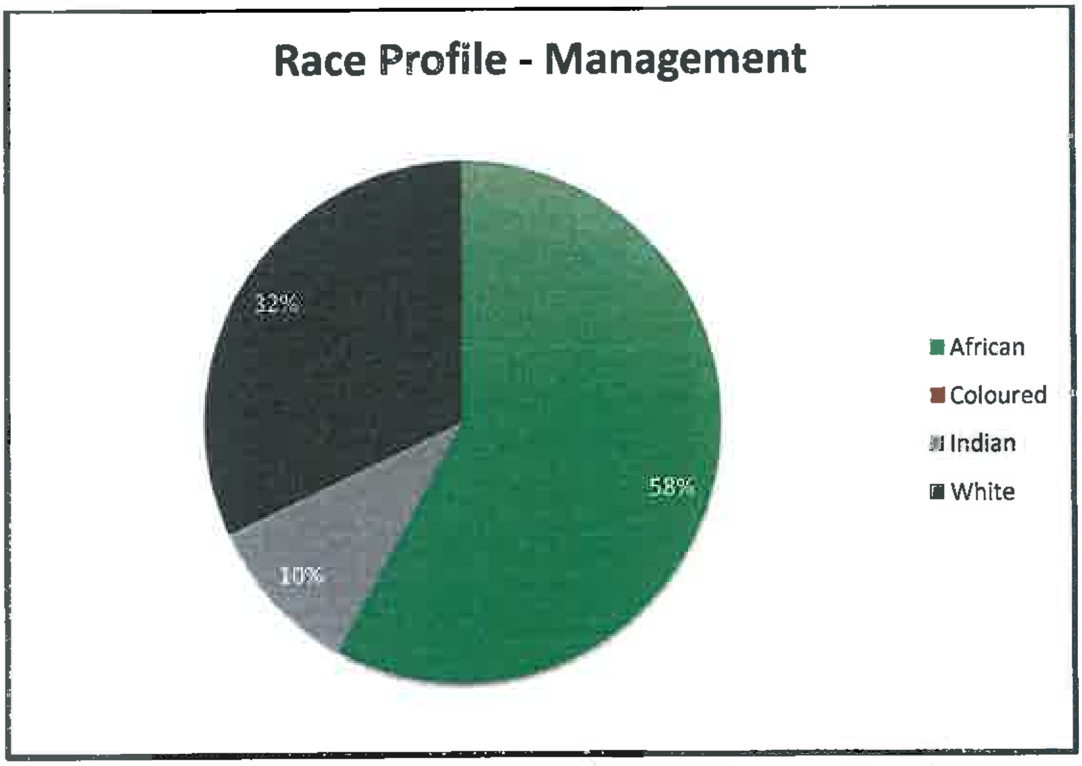
Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	1	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Professional qualified	3	0	0	1	0	0	1	0
Skilled	6	0	1	1	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	1
TOTAL	**11**	**0**	**1**	**2**	**1**	**0**	**1**	**1**
Levels	**Female**							
	African		**Coloured**		**Indian**		**White**	
	Current	**Target**	**Current**	**Target**	**Current**	**Target**	**Current**	**Target**
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	1	0	2	0
Professional qualified	3	0	0	1	0	0	3	0
Skilled	14	0	0	1	0	1	3	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
TOTAL	**21**	**0**	**1**	**2**	**1**	**1**	**8**	**0**

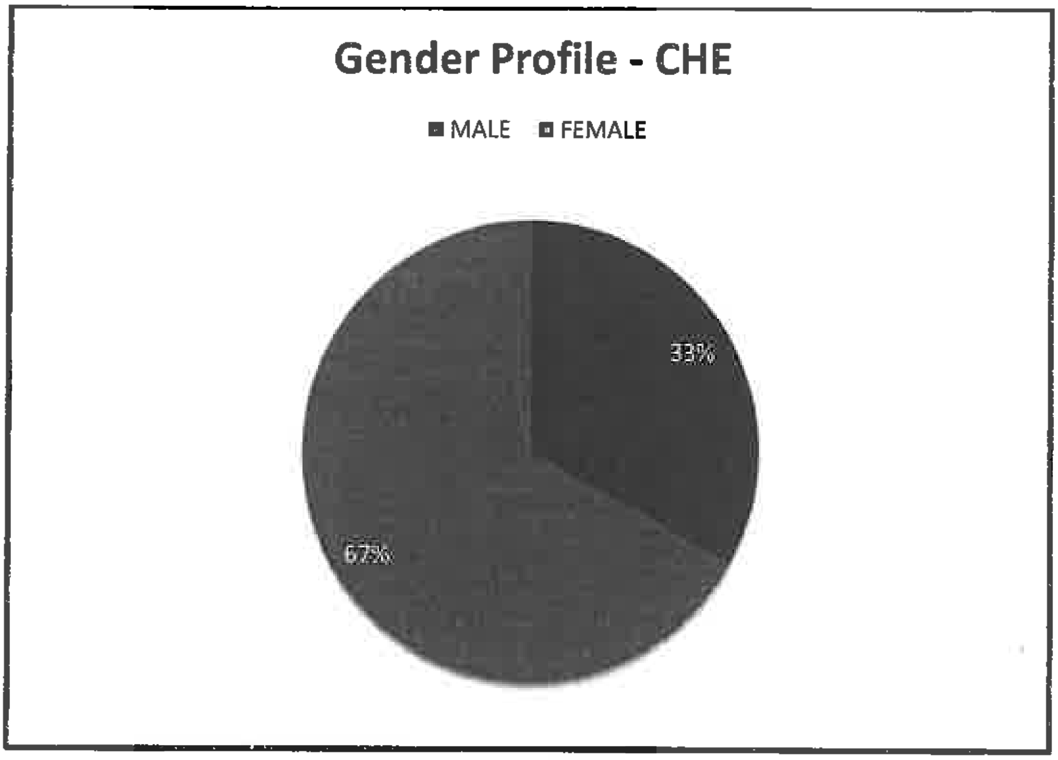
Levels	Disabled Staff	
	Current	Target
Top Management	0	0
Senior Management	0	0
Professional qualified	0	0
Skilled	0	1
Semi-skilled	0	0
Unskilled	0	0
TOTAL	**0**	**1**

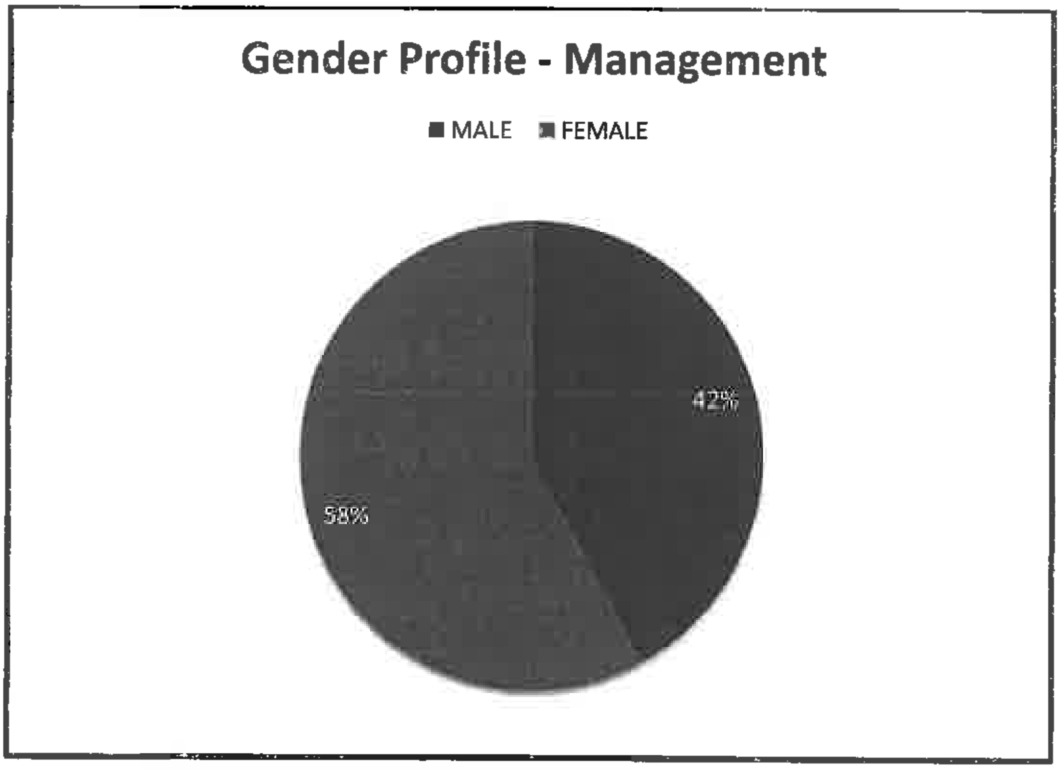
5.1.3 Employment Equity Profile: Current

The CHE has a staff complement of 52, including vacancies .The overall profile in terms of race and gender is 74% African, 2 % Coloured, 4% Indian, 20 % White and 33 % male and 67% female. The profile at management level is, 58% African, 10% Indians, 32% Whites and 42% male and 58% female. There has been a slight increase in the number of males and decrease in the number of females, organisation wide. At management level, there is a challenge in terms of Coloureds as there are none. It is in this context that the current plan was developed to target this group when recruiting. The attraction of people with disabilities remains a challenge for the organisation. This is illustrated in the following graphs:


Race Profile - CHE
African
Coloured
Indian
White
20%
4%
2%
74%


Race Profile - Management
32%
58%
10%
African
Coloured
Indian
White





5.1.4 Staff Training and Development

Total training costs as a percentage of personnel costs for the quarter under review is 0.1% with one (1) employee trained during the period. This is the trend associated with the pressure at end of the financial year, and the budgetary constraints in the period under review. This should improve in the next quarter.

The training and development conducted during the quarter is reflected in the table below:

Directorate/ Business Unit	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of personnel Cost	Number of employees trained	Average training cost per employee
Administration	3 263 000	3 933	0.1 %	1	3 933
Monitoring and Evaluation	989 000	0	0 %	0	0
Programme Accreditation	1 411 000	0	0%	0	0
National Reviews and Standards Development.	548 000	0	0 %	0	0
Institutional Audits	679 000	0	0 %	0	0
TOTAL	**6 890 000**	**3 933**	**0.1 %**	**1**	**3 933**

5.1.5 Performance Management System 2016/17

An assessment of the Performance Management system was conducted during the period under review and this necessitated some enhancements on the CHE's Performance Management system. These amendments ranged from ensuring alignment with the Annual Performance Plan (APP) for 2016/17, development of sound performance indicators, performance assessment standards and the Performance Management Agreement template. Due to the change management process associated with this the date of submission of all Performance Management Agreements was changed to 30 May 2016, to ensure that all employees understand the new process.

5.2 FINANCE AND SUPPLY CHAIN

5.2.1 Reviewed and developed finance and supply chain policies, frameworks, procedures and guidelines.

Fixed Asset Management Policy was reviewed and approved for implementation.

5.2.2 Percentage of eligible employees, suppliers and third parties paid within 30 days

Employees and third parties are paid within 30 days while the suppliers some are paid within 30 days and others after 30 days due to the following reasons:

- Suppliers registered late in the database;
- Invoices received timeously but the invoice captured date is 31 March 2016 to allocate the expense and payable to the correct financial period;
- Statements received late to process the payment; and
- Incorrect received date processed on the financial system.

5.3 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

During the period under review a new service provider, Praxis Computing (Pty) Ltd was appointed for the following services:

(1) Network Support, on a 3 year contract;
(2) Maintenance of the HEQC online system, on an 18 month contract.

This was informed by the current review of the Accreditation process underway, which might necessitate the CHE to review and / or replace the current system. A meeting was held with Praxis Computing in May 2016, to discuss the report of an audit they conducted on the system, with recommendations. In view of the lack of adequate internal capabilities the appointed service provider had agreed to develop a skills transfer plan to ensure that all identified internal Systems Administrators are trained accordingly. The plan was submitted at the end of June 2016.

6. PERFORMANCE INDICATORS

NON-FINANCIAL PERFORMANCE PLAN INDICATORS: 2016/17

Strategic Objective	Programme	Performance indicator	2015 - 2016	2016 – 2017 - First Quarter: 1 April – 30 June 2016					
			Audited output	Annual target 1 April 2016 – 31 March 2017	1st Quarter Target 1 April – 3 June 2016	Cumulative Total Full year	1st quarter Actual Output 1 April – 3 June 2016	Challenges	Evidence / Comment
Number One: To provide advice to the Minister of Higher Education and Training on all higher education matters on request and on the CHE's own initiative.	Administration	Percentage of response to requests for advice responded to within the timeframe requested.	100% 2	100%	100% of requests received	0	0		The number of responses cannot be predetermined as it is dependent on the number of requests received from the Minister.
		Number of pieces of advice on own initiative on issues identified as relevant flowing from the activities of the CHE.	0	2	1	0	0		Advice in subsequent years will be determined annually based on an assessment of the key issues in higher education and on the outcomes of research initiated.
Number Two: To monitor the state of higher education, including publishing information and convening conferences, seminars and workshops on developments in higher education.	Monitoring and Evaluation	Performance indicators (on-going projects) published.	1	1	0	0	0		Performance indicators to assess the state of the higher education system.
		Projects in progress.	4	4	4	4	4		These projects are long-term projects which will run throughout the year and across financial years. The cumulative total will remain constant at 4. Funding (initiated)
		Number of research findings disseminated through publications.	3	2	0	0	0		Publication of research reports.
Number Three: To develop and manage the HEQSF, including the articulation of qualifications between the three sub-	Administration	Submissions made on CHE's perspective on articulation as per the Ministerial Guidelines.	n/a New performance indicator.	100%	0%	0	0		

Strategic Objective	Programme	Performance Indicator	2015 - 2016	2016 – 2017 - First Quarter: 1 April – 30 June 2016					
			Audited output	Annual target 1 April 2016 – 31 March 2017	1st Quarter Target 1 April – 3 June 2016	Cumulative Total Full year	1st quarter Actual Output 1 April – 3 June 2016	Challenges	Evidence / Comment
frameworks, namely, the HEQSF, the General and Further Education and Training Qualifications Sub-Framework and **the Trades and Occupations** Qualifications Sub-Framework.									
Number Four: To develop and implement policy and standards for higher education qualifications to inform and guide the development, registration and publication of qualifications.	Standards Development* Merged Directorate National Standards and Reviews.	Number of qualification standards developed within the standards development cycle-time. (18 – 24 months) Projects initiated in 2015/16	4	4	0	0	0		Discipline Standards Working Groups (DSWG) appointed Workshops with DSWG- Agenda and Attendance registers Draft Standards statements at different stages of development((Versions) Publication of draft standards for public comment. Approval Registered qualification standard statements
Number Five: To maintain a database of learner achievements in higher education and to submit the data to the National Learners' Records Database (NLRD), which is maintained by SAQA.	Monitoring and Evaluation	Percentage of private providers submitting learner records/ achievements for the HEQCIS database.	95% 127 of 133 private providers uploaded information	80% of private higher education providers	80% of private higher education providers	Non-cumulative	0	The changing number of private providers, in particular, small providers with limited capacity, makes it difficult to obtain full compliance.	There are two data loading cycles per year, June and December. September and March results remain the same as the previous data loading cycle results.
Number Six: To audit the quality assurance mechanisms of higher education institutions. *In 2011/2 a decision was taken to change the focus from institutional audits and to focus on improving teaching and learning through the Quality Enhancement Project*	Institutional Audits	First cycle audits. Monitoring of progress reports linked to institutional improvement plans	100% monitoring of all progress reports received	100% monitoring of all progress reports received	100% monitoring of all progress reports received	1	1		Progress reports received. Institutional Audit Committee minutes. It is anticipated that the implementation of the first cycle of institutional audits improvement plans will be completed by end 2016.
		QEP Phase 1 – institutional feedback visits	n/a	18	6	10	10		QEP activities as determined by the QEP process. Directorate documentation

Strategic Objective	Programme	Performance indicator	2015 - 2016	2016 – 2017 - First Quarter: 1 April – 30 June 2016					
			Audited output	Annual target 1 April 2016 – 31 March 2017	1st Quarter Target 1 April – 3 June 2016	Cumulative Total Full year	1st quarter Actual Output 1 April – 3 June 2016	Challenges	Evidence / Comment
(QEP)									Because of the student protests it was not possible to schedule 8 visits in the fourth quarter of the 2015-6 financial year, as originally planned. It is expected that there will be continued instability at a number of institutions over the next few months. The schedule has therefore been revised.
		Implement phase 2 of the QEP - finalisation of the next focus areas in the third quarter.	n/a	100%	0%	0	0	Postponed to 2017 due to student unrest	Directorate documentation Although Phase 2 was due to begin in 2016, DVCs indicated that due to the student protests they will not be ready to engage with a new set of focus areas until 2017. Furthermore, they indicated that before finalising the new focus areas they need to interact with their students over the next few months in order to ensure that the focus areas are relevant to the current context. The final formulation will therefore be done in the third quarter of the financial year.
Number Seven: To accredit new programmes submitted by public and private higher education institutions and to re-accredit existing programmes offered by private higher education institutions.	Programme Accreditation	Percentage of programmes submitted for accreditation and deferred at the Accreditation Committee meeting and/or an approved outcome or recommendation at the HEQC meetings within 12 months of check listing.	n/a Performance Indicator changed	75%	75%% of applications received within a 12 month period	0	0	No HEQC meeting was held this quarter. Originally the HEQC meeting was scheduled to take place in June 2016, but due to the current legal process between CHE and SANTS, the CHE had to reschedule the HEQC to take place on 7 July 2016 to be able to report on the site visits linked to the accreditation of the BEd programmes.	Applications received in one quarter may be still in process of evaluation and may only be submitted to the HEQC in the following quarter. The current 100% is unrealistic and unachievable as there is always a carryover of programmes from one quarter to the next. It happens that some programmes tabled at an Accreditation Committee meeting are deferred back to the institution for further input. This process delays the finalisation of the accreditation process. A list of deferrals will be inserted in the HEQC agenda.
		Percentage of re-accredited programmes with a deferred outcome at the Accreditation Committee and/or recommendation tabled after receipt from publics and private institutions within 18	65% 129 programmes	60%	60% of applications received for reaccreditation 2012/2013	0	0	No HEQC meeting was held this quarter. Originally the HEQC meeting was scheduled to take place in June 2016, but due to the current legal process between CHE and SANTS, the CHE had to reschedule the HEQC	Applications received in one quarter may be still in process of evaluation and may only be submitted to the HEQC in the following quarter. The current 100% is unrealistic and unachievable as there is always a carryover of programmes from one

Strategic Objective	Programme	Performance Indicator	2015 - 2016	2016 – 2017 - First Quarter 1 April – 30 June 2016					
			Audited output	Annual target 1 April 2016 – 31 March 2017	1st Quarter Target 1 April – 3 June 2016	Cumulative Total Full year	1st quarter Actual Output 1 April – 3 June 2016	Challenges	Evidence / Comment
		months of check listing.						to take place on 7 July 2016 to be able to report on the site visits linked to the accreditation of the BEd programmes.	quarter to the next. The number of programmes to be re-accredited varies annually. The programmes, self-evaluation reports as well as site visits must be evaluated as a unit per institution. Performance Indicator sharpened to include realistic timeframe. It happens that some programmes tabled at an Accreditation Committee meeting are deferred back to the institution for further input. This process delays the finalisation of the accreditation process. A list of deferrals will be inserted in the HEQC agenda. Reasons for the deferral of the application can be: Request for more information Appointment of a second evaluator Deferral pending the outcome of a site visit
		Percentage of site visits completed with an HEQC outcome / recommendation within in the stipulated time period as indicated in the outcomes letter	75% 67 site visits	75% of applications received	75% of applications received	0	0	No HEQC meeting was held this quarter. Originally the HEQC meeting was scheduled to take place in June 2016, but due to the current legal process between CHE and SANTS, the CHE had to reschedule the HEQC to take place on 7 July 2016 to be able to report on the site visits linked to the accreditation of the BEd programmes.	The number of applications received varies annually and site visits cannot be predetermined as they are mainly linked to conditions. Applications received in one financial year may be still in process of evaluation and may only be submitted to the HEQC in the following financial year pending the timeframe linked to the condition. Site visits can also be done due to complaints received.
		Number of training workshops for evaluators discipline groups/report writing	4	4	1	0	0		A number of capacity development workshops are planned on an ad hoc basis to meet sector needs. A minimum of four workshops will be held each year.

Strategic Objective	Programme	Performance Indicator	2015 - 2016 Audited output	2016 – 2017 - First Quarter: 1 April – 30 June 2016 Annual target 1 April 2016 – 31 March 2017	1st Quarter Target 1 April – 3 June 2016	Cumulative Total Full year	1st quarter Actual Output 1 April – 3 June 2016	Challenges	Evidence / Comment
Number Eight: To undertake national reviews of existing programmes in specific subject fields and qualification levels offered by public and private higher education institutions.	National Reviews	Analyse and approve institutional improvement plans - Bachelor of Social Work programmes	100% 12	100% of institutional progress reports monitored	0	0	0		This line was omitted in this table in the APP. This activity will be undertaken in the third quarter.
		Phases 1 and 2 of the national review process completed within the review cycle-time (24-36 months) LLB degree programme review started in 2015/16	Not an indictor in 2015/16	2	1	0	0		Phase 1 – Stakeholder consultation completed. (Review scope, proposal, reference group, panels, review manual and minimum criteria approved) and training workshops conducted– HEQC Minutes and training material Phase 2- SER received from the institutions and Site visits completed.
		Number of Bachelor of Social Work (BSW) degree progress reports received and processed (linked to the BSW national review)	Not an indictor in 2015/16	100% progress reports received	n/a	n/a	n/a		Progress reports received are submitted to the NRC for evaluation and HEQC for approval. NRC and HEQC minutes
		Phase 3: National report on the programme under view published(LLB degree programme)	Not an indictor in 2015/16	40%	n/a	n/a	n/a		Phase 3 – Report writing team constituted and gathering and analysis of data started
Number Nine: To promote quality and to develop capacity and understanding of the role of quality assurance in improving quality provision in higher education at both the systemic and institutional levels.	Administration	Number of quality assurance forums for public and private institutions and professional bodies.	3	3	0		0		Workshop documentation The quality assurance fora for public universities and private higher education institutions are scheduled to take place in August 2016
		Number of newsletters produced and distributed to stakeholders.	Not an indictor in 2015/16	2	1	1	1		Copies of the newsletter. One issue of the newsletter was produced and distributed to stakeholders in June 2016
		Number of frameworks/ good practice guides/ policies developed.	Not an indictor in 2015/16	1	0	0	0		Copies of the frameworks/good practice guides/policies

Strategic Objective	Programme	Performance indicator	2015 - 2016	2016 – 2017 - First Quarter: 1 April – 30 June 2016					
			Audited output	Annual target 1 April 2016 – 31 March 2017	1st Quarter Target 1 April – 3 June 2016	Cumulative Total Full year	1st quarter Actual Output 1 April – 3 June 2016	Challenges	Evidence / Comment
Number Ten: To ensure the development of human resources management environment that enables staff to develop their full potential.	Administration	Percentage of staff trained and developed	88% 42 interventions 37 employees trained	70% of staff undergoing training and development.	10% of staff undergoing training and development		1 Training event 1 Employee trained	Due to the adjustment of the performance management template to include performance standards and ensure that that agreements are aligned to the CHE APP 2016/2017, the consolidation of organisation wide Individual Learning Plans and sourcing of accredited courses has taken longer than planned.	Will only be able to report in percentages next quarter. Training plan to be approved at the end of July 2016
		Percentage of vacant positions filled.	85% of organisational structure filled	85% of organisational structure filled.	85% of organisational structure filled.	88%	88% of the organisational structure is filled (46 positions filled)		Quarterly Employment Profile Report.
Number Eleven: To ensure that financial, administration and supply chain management is compliant with the requirements of the PFMA, relevant Treasury regulations and laws.	Administration	Number of reviewed and developed finance and supply chain policies, frameworks, procedures and guidelines.	97%	[illegible]	2	1	1	The other policies, frameworks, procedures and guidelines reviewed and still need to be presented to all governance structures for approval which will be in the second quarter.	Approved/Signed policies
		Percentage of eligible employees, suppliers and third parties paid within 30 days	Not a performance indicator in 2015/16	100%	100%	Employees & third parties 100% Suppliers 84%	Employees & third parties 100% Suppliers 84%	1 supplier registered late in the database. 3 invoices paid late due to administration error. 4 invoices were received on May 2016 .The invoice captured date is 31 March 2016 to allocate the expense and payable to the correct financial period. 3 statements received late to process the payment. 2 invoices, incorrect received date processed on financial system.	Availability of payments reports

Strategic Objective	Programme	Performance indicator	2015 - 2016	2016 – 2017 - First Quarter 1 April – 30 June 2016					
			Audited output	Annual target 1 April 2016 – 31 March 2017	1st Quarter Target 1 April – 3 June 2016	Cumulative Total Full year	1st quarter Actual Output 1 April – 3 June 2016	Challenges	Evidence / Comment
Number Twelve: To ensure effective governance and compliance of ICT with statutory requirements.	Administration	Number of reviewed and developed ICT policies, frameworks, guidelines, procedures and processes.	Not a performance indicator in 2015/16	8	2	0	0	At the ICTSC Meeting which will be held in August, the policy and framework will be submitted for recommendation. The ARC and the Council will therefore approve the Policy and Framework in August and September respectively.	Work in progress Formal Project Management Methodology/Policy draft ICT Governance Framework draft

1st QUARTER EXPENDITURE SUMMARY REPORT AS AT 30 JUNE 2016

SUMMARY	TOTAL BUDGET	1st QUARTER 01/04/2016 - 30/06/2016	2nd QUARTER 01/07/2016 - 30/09/2016	3rd QUARTER 01/10/2016 - 31/12/2016	4th QUARTER 01/01/2017 - 31/03/2017	YTD	% OF EXP VS BUDGET
INCOME	**46,285,003**	**12,563,737**	**0**	**0**	**0**	**12,563,737**	**27%**
DHET - Government grant	40 928 000	10 232 000				10 232 000	**25%**
Roll over funds		-	-	-	-		**0%**
Private Accreditation - Cost Recovery	4 000 000	1 415 611				1 415 611	**35%**
Interest Income	850 000	409 123				409 123	**48%**
Deffered Transfer-STDs	507 003	507 003				507 003	**100%**
EXPENDITURE	**46,285,003**	**12,460,721**	-	-	-	**12,460,721**	**27%**
GOODS AND SERVICES	16 594 346	5 480 478				5 480 478	**33%**
PERSONNEL	29 640 657	6 980 243				6 980 243	**24%**
CAPEX	50 000						**0%**
INCOME LESS EXPENDITURE	-	**103,016**	-	-	-	**103,016**	**0%**

BANK BALANCES AT END OF QUARTER	1	4	3	2
	30 Jun 2016	**31 Mar 2016**	**31 Dec 2015**	**30 Sept 2015**
INVESTEC BANK	12,412,451	14,157,046	17,867,528	17,580,517
STD BANK - TRANSACTION ACCOUNT	18,305	637,107	121,446	595,308
STD BANK - PRIVATE ACCREDITATION	57,184	10,668	57,276	146,055
TOTAL AVAILABLE	12,487,940	14,804,821	18,046,250	18,321,880

1st QUARTER EXPENDITURE REPORT PER PROGRAMMES AS AT 30 JUNE 2016

PROGRAMMES	TOTAL BUDGET	1st QUARTER 01/04/16-30/06/16	2nd QUARTER 01/07/16-30/09/16	3rd QUARTER 01/10/16-31/12/16	4th QUARTER 01/01/17-31/03/17	YTD	% OF EXP VS BUDGET
	R	R					%
CEO' S OFFICE	**8,192,581**	**1,507,338**	-	-	-	**1,507,338**	**18%**
Goods and Services	3,360,142	352,758				352,758	10%
Personnel	4,832,439	1,154,580				1,154,580	24%
SUPPORT SERVICES	**13,202,799**	**3,820,857**	-	-	-	**3,820,857**	**29%**
Goods and Services	4,651,763	1,623,684				1,623,684	35%
Personnel	8,551,036	2,197,173				2,197,173	26%
MONITORING AND EVALUATION	**6,178,858**	**2,546,454**	-	-	-	**2,546,454**	**41%**
Goods and Services	1,965,475	1,554,728				1,554,728	79%
Personnel	4,213,383	991,726				991,726	24%
INSTITUTIONAL AUDITS	**4,961,698**	**852,283**	-	-	-	**852,283**	**17%**
Goods and Services	1,022,466	172,394				172,394	17%
Personnel	3,939,232	679,889				679,889	17%
ACCREDITATION	**9,556,381**	**3,000,994**	-	-	-	**3,000,994**	**31%**
Goods and Services	2,840,016	1,587,209				1,587,209	56%
Personnel	6,716,365	1,413,785				1,413,785	21%
NATIONAL STANDARDS AND REVIEWS	**4,192,686**	**732,795**	-	-	-	**732,795**	**17%**
Goods and Services	1,384,484	189,705				189,705	14%
Personnel	2,808,202	543,090				543,090	19%
GRAND TOTAL	**46,285,003**	**12,460,721**	-	-	-	**12,460,721**	**27%**

REASONS FOR OVER AND UNDER SPENDING PER PROGRAMMES

Note: Reasons for over/under spending will cover Programmes that are 5% below or above the spending threshold of 25%.

CEO'S OFFICE

Goods & services

Underspent by 15% due to the following reasons: International conferences attended to date were funded by the host; No catering required for the CEO's meetings held in May/June; Cellphone claims submitted is usually lower than the monthly budgeted amount; Council, EXCO, ARC, HRRC, HEQC, Capactiy Development and HELTASA meetings and QA workshops did not take place under the period under review; Outstanding payment for Council members for the meeting that took place on the 30 June 2016; Printing and Publications of RPL not yet spent due to outstading approval from Council.

Personnel

Spending within the spending threshold.

SUPPORT SERVICES
Goods & services

Overspent by 10% due to the following reasons: More freight/courier service & stationery requested; Commitments from prior year paid using the new budget for Telephone, Office Supplies, Multi Choice subscription, Cleaning Services, Garden Services, Levy, Lift Maintenance, Security and Building and Maintenance, Generator Maintenance & Operating Lease payments; More air travel and road travel services requested during this period; More usage of the 3G cards and are paying for two extra cards that are utilised on an ad hoc basis; More recruitment conducted due to vacancies; More services were needed for wellness & employees motivation; Once off payment for Insurance in November every year, however the purchasing of the new assets in Feb – March (Computers/I Pads/transcription tools etc.) which were planned for 2016/17 necessitated an increase in the premium; Prior year commitments for Multi Choice subscription, Cleaning Services, Garden Services, Levy, Lift Maintenance, Security and Building and Maintenance, & Operating Lease payments paid in the current year and Annual licences that runs over two financial years and they were part of the pre-payment.

Personnel
Spending within the spending threshold.

MONITORING AND EVALUATION
Goods & services

Over spent by 54% due to the following reasons: More usage of the 3G cards; Registration & Membership fees and subscripts paid monthly for Wizcat, Sabinet, and newspapers are higher than the estimated budget; Once off payment for HEQCIS contract with SAQA.

Personnel
Personnel costs inline with budget.

INSTITUTIONAL AUDITS
Goods & services
Under spent by 8% due to no planned activities for during this period under review.

Personnel
Under spent by 8% due to a vacant funded Senior Manager post as a results of resignation.

ACCREDITATION
Goods & services
Over spent by 31% due to the following reasons: Large number of SANTS court case site visits been arranged; Large amount of evaluator reports where received and processed for payment; Increased accommodation fees; More services requested for car hire & road travel for Accreditation Committee Meeting, SANTS as well as other Accreditation Site Visits; Numerous Accreditation employees working afterhours and weekend to ensure that deadlines are met which affect usage of 3G cards; More phone calls made to the CHE legal team and the SANTS site visit panel members during the last month to ensure that all the planning and activities are done as required; More catering requested for Accreditation Site as well as SANTS planning meetings.

Personnel
Spending within the spending threshold.

NATIONAL STANDARDS AND REVIEWS
Goods & services
Underspent by 11% due to no planned activities for during this period under review.

Personnel
Under spent by 6% as a result of vacant funded manager and administrator posts. The Manager post was filled at the end of the 1st Quarter.

1st QUARTER EXPENDITURE DETAIL REPORT AS AT 30 JUNE 2016

Note: Note numbers are allocated for expenditure items that are 5% below or above the spending threshold of 25%.

	TOTAL BUDGET	1st QUARTER 01/04/16-30/06/16	2nd QUARTER 01/04/16-30/09/16	3rd QUARTER 01/10/16-31/12/16	4th QUARTER 01/01/17-31/03/17	YTD	% OF EXP VS BUDGET	NOTES
	R	R	R				%	
INCOME SOURCES	46,285,003	12,563,737	-	-	-	12,563,737	27%	
DHET - GOVERNMENT GRANT	40 928 000	10 232 000				10 232 000	25%	
DEFFERED TRANSFER - STDs	507 003	507 003				507 003	100%	
PRIVATE ACCREDITATION	4 000 000	1 415 611				1 415 611	35%	1
INTEREST AND OTHER INCOME	850 000	409,123				409 123	48%	2
ROLL OVER BUDGET	-						0%	
TOTAL EXPENDITURE	46,285,003	12,460,721	-	-	-	12,460,721	27%	
ACCOMMODATION	480 600	226 488				226 488	47%	3
AIR TRAVEL	1 820 380	591 460				591 460	32%	4
CAR HIRE	93 560	31 741				31 741	34%	5
ROAD TRAVEL	561 354	156 941				156 941	28%	
SERVICE FEES	84 734	35 791				35 791	42%	6
SUBSISTENCE	18 958	23 544				23 544	124%	7
PEER ACADEMICS	1 926 100	944 370				944 370	49%	8
CONSULTANCY	200 000	22 895				22 895	11%	9
OUTSOURCED SERVICES	1 771 560	1 541 160				1 541 160	87%	10
ADMINISTRATION	2 905 103	408 279				408 279	14%	11
REGISTRATION FEES	51 900	3 237				3 237	6%	12
VENUE AND CATERING	488 488	39 963				39 963	8%	13
OFFICE SUPPLIES	10 000	15 559				15 559	156%	14
HONORARIUMS	7 500	-					0%	
LEGAL FEES	510 149	1 365				1 365	0%	
INSURANCE	300,000	173 830				173 830	58%	15
REMUNERATION OF COUNCIL MEMBER	2,118,152	229 288				229 288	11%	16
EXTERNAL AUDIT	659,577	242 903				242 903	37%	17
INTERNAL AUDIT	432,936	-					0%	
LICENCE FEES	320 527	215 371				215 371	67%	18
INFORMATION SYSTEMS	547 830	95 588				95 588	17%	19
BUILDING & UTILITIES	1 262 540	481 108				481 108	38%	20
PERSONNEL	29 640 657	6 980 243				6 980 243	24%	
CAPEX	50 000						0%	0
TOTAL (OVER) OR UNDER SPENDING	0	103,016	-	-	-	103,016		

REASONS FOR OVER AND UNDER SPENDING

Note:An explanation for over/under spending will cover expenditure items that are 5% below or above the spending threshold of 25%.

1	During the period under review,there was more applications for accreditation programmes that were processed than budgeted for and additional site visits were undertaken as a result of Court order for SANTS case.
2	More interest earned on surplus funds invested at Investec Bank.
3 to 7	The over spending on travel and accommodation is due to the fact that the budget loaded was only for 6 months and not the full year due to budget constraints faced at the time the budget was finalised. This budget will be adjusted in the 2nd Quarter after the retention of surplus funds was approved by National Treasury.
8	Increased site visits and accreditation of programmes as noted in note 1 has resulted in the more peer academics costs. The budget loaded was for 6 months.
9	Consultancy costs are under budget as the planned work is scheduled to take place in the second and third Quarter.
10	Outsourced costs over budget as a once-off SAQA payment was made in the first Quarter. This payment is for the whole year and is therefore inline with the annual budget.
11	The 10% saving is as a result of low usage in some admin items such as photocopying,stationery,telephone etc.
12	Registration fees budgeted for not yet spent in the first Quarter but will be spend before the end of the 3rd Quarter.
13	Reduced spending in catering costs but this expense is expected to be inline with budget once all the scheduled meetings take place.
14	Office supplies above budget as only a 6 months allocation was made. This budget will be adjusted with roll over funds.
15	Insurance costs spent so far relate to insurance costs up to October paid in the last financial year. The remainder for the year will be paid in November.
16	Remuneration of council members costs under budget as some claims for the 1st Quarter meetings were only processed in the second quarter.
17	External Audit costs are expected to be utilised in the first and second Quarter and therefore higher spending is anticipated.
18	Licence fees are annual payments made in the first Quarter.
19	IT costs lower than budget as the some IT related costs for the month of June had not been invoiced and recorded yet.
20	Building and utilities costs higher than budget as the budget loaded is not for the full year. This budget will be adjusted with roll over funds.

Compliance checklist for the Public Finance Management Act, 1999, as amended (PFMA)

✓

CHAPTER SIX: PUBLIC ENTITIES

Section	Question	Yes	No	Remarks
49(1)	*Every public entity must have an authority which must be accountable for the purposes of this Act.* Does the public entity have an accounting authority?	✓		
49(2)	*If the public entity—* *(a) has a board or other controlling body, that board or controlling body is the accounting authority for that entity; or* *(b) does not have a controlling body, the chief executive officer or the other person in charge of the public entity is the accounting authority for that public entity unless specific legislation applicable to that public entity designates 10 another person as the accounting authority.* Does the status of the person or body appointed as accounting authority for the public entity comply with the stipulations of section 49(2)?	✓		
49(5)	*A public entity must inform the Auditor-General promptly and in writing of any approval or instruction in terms of subsection (3) and any withdrawal of an approval or instruction in terms of subsection (4).* Did the public entity inform the Auditor-General promptly and in writing of any approval or instruction in terms of section 49(3) and any withdrawal of an approval or instruction in terms of section 49(4)?		✓	Not applicable.
49(3)	*The Treasury, in exceptional circumstances, may approve or instruct that another functionary of a public entity must be the accounting authority for that public entity.* Did the public entity comply with an approval or instruction, by the relevant treasury, in terms of section 49(3)?		✓	Not applicable.
49 (4)	*The Treasury may at any time withdraw an approval or instruction in terms of subsection (3).* Did the public entity comply with the withdrawal of an approval or instruction in terms of section 49(3)?		✓	Not applicable.
50(1)	*(1) The accounting authority for a public entity must—* *(a)exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;* *(b) act with fidelity, honesty, integrity and in the best interests of the public entity in managing the financial affairs of the public entity;* *(c)on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in my way may influence the decisions or actions of the executive authority or that legislature; and* *(d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.* Did the accounting authority comply with the fiduciary duties stipulated in section 50 (1)?	✓		
50(2)	*(2) A member of an accounting authority or, if the accounting authority is not a board or other body, the individual who is the accounting authority, may not—* *(a) act in a way that is inconsistent with the responsibilities assigned to an accounting authority in terms of this Act; or* *(b) use the position or privileges of, or confidential information obtained as, accounting authority or a member of an accounting authority, for personal gain or to improperly benefit another person.* Did the accounting authority comply with the restraints stipulated in	✓		

Section	Question	Yes	No	Remarks
	section 50(2)?			
50(3)(a) 50(3)(b)	*(3) A member of an accounting authority must—* *(a) disclose to the accounting authority any director indirect personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the accounting authority; and* *(b) withdraw from the proceedings of the accounting authority when that matter is considered, unless the accounting authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.* Did (a) member(s) of an accounting authority disclose to the accounting authority any direct or indirect personal or private business interest that that member or stipulated relations may have in any matter before the accounting authority? And (b) withdrew from the proceedings of the accounting authority when that matter was considered, unless the exclusion as stipulated was applicable?	✓		
51(1)(a)	*(1) An accounting authority for a public entity—* *(a) must ensure that that public entity has and maintains—* *(i) effective, efficient and transparent systems of financial and risk management and internal control;* *(ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; and* *(iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;* *(iv) a system for properly evaluating all major capital projects prior to a final decision on the project;* Did the accounting authority for a public entity comply with the stipulations contained in section 51(1)(a)?	✓		
51(1)(b)	*(1) An accounting authority for a public entity—* *(b) must take effective and appropriate steps to—* *(i) collect all revenue due to the public entity concerned; and* *(ii) prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and* *(iii) manage available working capital efficiently and economically;* Did the accounting authority comply with the stipulations contained in section 51(1)(b)?	✓		
51(1)(c)	*(1) An accounting authority for a public entity—* *(c) is responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity;* Did the accounting authority act in accordance with its responsibility in respect of the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity?	✓		
51(1)(d)	*(1) An accounting authority for a public entity—* *(d) must comply with any tax, levy, duty, pension and audit commitments as required by legislation;* Did the accounting authority comply with any tax, levy, duty, pension and audit commitments as required by legislation.	✓		
51(1)(e)	*(1) An accounting authority for a public entity—* *(e) must take effective and appropriate disciplinary steps against any employee of the public entity who* *(i) contravenes or fails to comply with a provision of this Act;* *(ii) commits an act which undermines the financial management and internal control system of the public entity; or* *(iii) makes or permits an irregular expenditure or a fruitless and wasteful*		✓	No financial misconduct took place in the public entity

Section	Question	Yes	No	Remarks
	expenditure; Did the accounting authority take effective and appropriate disciplinary steps against any employee of a public entity in circumstances as stipulated in section 51(1)(e)?			during this period.
51(1)(f)	*(1) An accounting authority for a public entity—* *(f) is responsible for the submission by the public entity of all reports, returns, notices and other information to Parliament, and to the relevant executive authority or treasury, as may be required by this Act;* Did the accounting authority submit all stipulated information to stipulated users as prescribed by section 51(1)(f)?	✓		
51(1)(g)	*(1) An accounting authority for a public entity—* *(g) must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment; and* Did the accounting authority promptly inform the National Treasury on any new entity, which that public entity intends to establish, or in the establishment of which it takes the initiative, and did it allow the National Treasury a reasonable time to submit its decision prior to formal establishment?		✓	Not applicable
51(1)(h)	*(1) An accounting authority for a public entity—* *(h) must comply, and ensure compliance by the public entity, with the provisions of this Act and any other legislation applicable to the public entity.* Did the accounting authority comply, and ensure compliance by the public entity, with the provisions of the PFMA and any other legislation applicable to the public entity?	✓		
51 (2)	*(2) If an accounting authority is unable to comply with any of the responsibilities determined for an accounting authority in this Part, the accounting authority must promptly report the inability, together with reasons, to the relevant executive authority and treasury.* If the accounting authority was unable to comply with any of the responsibilities determined for an accounting authority in section 51, did the accounting authority promptly report this inability, together with reasons, to the relevant executive authority and treasury?	✓		
53(1)	*(l) The accounting authority for a public entity listed in Schedule 3 which is not a government business enterprise must submit to the executive authority responsible for that public entity, at least six months before the start of the financial year of the department designated in terms of subsection (2) or another period agreed to between the executive authority and the public entity, a budget of estimated revenue and expenditure for that financial year, for approval by the executive authority* Did the accounting authority for a public entity listed in schedule 3 which is not a government business enterprise submit to the executive authority responsible for that public entity within the stipulated period, a budget of estimated revenue and expenditure for that financial year, for approval by the executive authority?		✓	Not applicable
53(2)	*(2) The budget must be submitted to the executive authority through the accounting officer for a department designated by the executive authority, who may make recommendations to the executive authority with regard to the approval or amendment of the budget.* Was the budget submitted to the executive authority through the accounting officer for a department designated by the executive authority?	✓		
53(3)	*(3) A public entity which must submit a budget in terms of subsection (1), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained.*		✓	

Section	Question	Yes	No	Remarks
	Did a public entity which must submit a budget in terms of section 53(1), budget for a deficit or accumulate surpluses without the prior written approval of the National Treasury?			
53(4)	*(4) The accounting authority for such a public entity is responsible for ensuring that expenditure of that public entity is in accordance with the approved budget.* Did the accounting authority for a public entity referred to in section 53(1) ensure that expenditure of that public entity is in accordance with the approved budget?	✓		
54(1)	*54. (1) The accounting authority for a public entity must submit to the treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the treasury or the Auditor-General may require.* Did the accounting authority for a public entity submit to the relevant treasury or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require?	✓		
54(2)	*(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the treasury of the transaction and submit relevant particulars of the transaction to executive authority for approval of the transaction:* *(a) establishment or participation in the establishment of a company;* *(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;* *(c) acquisition or disposal of a significant shareholding in a company;* *(d) acquisition or disposal of a significant asset;* *(e) commencement or cessation of a significant business activity; and* *(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.* Did the accounting authority for a public entity, before a public entity concluded any of the transactions stipulated in this section, promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction?	✓		
54(3)	*(3) A public entity may assume that approval has been given if it receives no response from the executive authority on a submission in terms of subsection (2) within 30 days or within a longer period as maybe agreed to between itself and the executive authority.* Did the public entity maintain adequate records to ensure that any assumption of approval can be justified in cases where no response is received, within the stipulated period, from the executive authority on a submission in terms of section 54(2)?	✓		
  55(1)(a) 55(1)(b) 55(1)(c) 55(1)(d)	*(1) The accounting authority for a public entity—* *(a) must keep full and proper records of the financial affairs of the public entity;* *(b) prepare financial statements for each financial year in accordance with generally accepted accounting practice, unless the Accounting Standards Board approves the application of generally recognised accounting practice for that public entity;* *(c) must submit those financial statements within two months after the end of the financial year—* *(i) to the auditors of the public entity for auditing; and* *(ii) if it is a business enterprise or other public entity under the ownership control of the national government, to the treasury; and* *(d) must submit within five months of the end of a financial year to the treasury, to the executive authority responsible for that public "entity and , if the Auditor-General did not perform the audit of the financial statements, to the Auditor-General—* *(i) an annual report on the activities of that public entity during that financial year;*	✓		

Section	Question	Yes	No	Remarks
	(ii) the financial statements for that financial year after the statements have been audited; and *(iii) the report of the auditors on those statements.* Does the accounting authority for a public entity: a) Keep full and proper records of the financial affairs of the public entity?; b) Prepare financial statements for each financial year in accordance with generally accepted accounting practice (gaap), unless the stipulated deviation from gaap applies?; c) Submit those financial statements within two months after the end of the financial year to the stipulated institutions?; and d) Submit within five months of the end of a financial year to the stipulated institutions: i) An annual report on the activities of that public entity during that financial year ii) The financial statements for that financial year after the statements have been audited and iii) The report of the auditors on those statements?			
  55(2)(a) 55(2)(b) 55(2)(c)	*(2) The annual report and financial statements referred to in subsection (1) (d)must—* *(a) fairly present the state of affairs of the public entity, its business, its financial results and its performance against predetermined objectives and its financial position as at the end of the financial year concerned;* *(b) include particulars of—* *(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;* *(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;* *(iii) any losses recovered or written off,* *(iv) any financial assistance received from the state and commitments made 10 by the state on its behalf and* *(v) any other matters that may be prescribed; and* *(c) include the financial statements of any subsidiaries.* Does the annual report and financial statements referred to in section 55(1)(d): a) Fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned?; b) Include particulars of the matters referred to in section 55(2)(b)?; and c) Include the financial statements of any subsidiaries?	✓		
55(3)	*(3) An accounting authority must submit the report and statements referred to in subsection (1) (d), for tabling in Parliament, to the relevant executive authority through the accounting officer of a department designated by the executive authority.* Did the accounting authority submit the report and statements referred to in section 55(1)(d), for tabling in Parliament or the provincial legislature, to the relevant executive authority through the accounting officer of a department designated by the executive authority?	✓		
55(4)	*(4) The treasury may direct that, instead of a separate report, the audited financial statements of a Schedule 3 public entity which is not a government business enterprise must be incorporated in those of a department designated by the treasury.* Did the relevant treasury directs that, instead of a separate report, the audited financial statements of a schedule 3 public entity which is not a government business enterprise, must be incorporated in those of a department designated by that treasury, and was such direction adhered to?		✓	Not relevant to the Entity. Applicable to Treasury.
56(1)	*(1) The accounting authority for a public entity may—* *(a) in writing delegate any of the powers entrusted or delegated to the*	✓		

Section	Question	Yes	No	Remarks
	accounting authority in terms of this Act, to an official in that public entity; or *(b) instruct an official in that public entity to perform any of the duties assigned to the accounting authority in terms of this Act.* Did the delegation, by an accounting authority for a public entity, of any of the powers entrusted or delegated to the accounting authority in terms of the PFMA, to an official in that public entity occur in writing?			
56(2)	*A delegation or instruction to an official in terms of subsection (l)—* *(a) is subject to any limitations and conditions the accounting authority may impose;* *(b) may either be to a specific individual or to the holder of a specific post in the relevant public entity; and* *(c) does not divest the accounting authority of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.* Were the stipulations of any delegation or instruction to an official in terms of section 56(1), as proposed in section 56(2)(a) and section 56(2)(b) adhered to?	✓		
56(3)	*(3) The accounting authority may confirm, vary or revoke any decision taken by an official as a result of a delegation or instruction in terms of subsection (1), subject to any rights that may have become vested as a consequence of the decision.* In case where an accounting authority confirmed, varied or revoked any decision taken by an official as a result of a delegation or instruction in terms of section 56(1), did it occur subject to any rights that may have become vested as a consequence of the decision?		✓	Not applicable.
57(a) to c) & (e) 57(d)	*An official in a public entity—* *(a) must ensure that the system of financial management and internal control established for that public entity is carried out within the area of responsibility of that official;* *(b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;* *(c) must take effective and appropriate steps to prevent, within that official's area of responsibility, any irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;* *(d) must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 56; and* *(e) is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility.* Did all officials in the public entity: a) Comply with the stipulations of section 57 within that official's area of responsibility b) Comply with the provisions of the PFMA to the extent applicable to that official, including any delegations and instructions in terms of section 56?	✓		
58(1)	*(l) The annual financial statements of a public entity must be audited annually by—* *(a) the Auditor-General; or* *(b) a person registered in terms of section 15 of the Public Accountants' and Auditors' Act, 1991 (Act No. 80 of 1991), as an accountant and auditor, and engaged in public practice as such.* Are the annual financial statements of the public entity audited on an annual basis by one of the two stipulated parties?	✓		
58(3)	*(3) A public entity must consult the Auditor-General on the appointment of an auditor in terms of subsection (2).* Did the public entity consult the Auditor-General on the appointment of an auditor in terms of section 58(2)?	✓		

Section	Question	Yes	No	Remarks
58(2)	*(2) A public entity may appoint, as its auditor, a person referred to in subsection (l)(b) only if the audit is not performed by the Auditor-General* Did the appointment of an auditor other than the Auditor-General: A) Comply with the stipulations contained in section 58(1)(b) and B) Occurred only as a result of the fact that the Auditor-General do not perform the audit?		✓	Not applicable.
59	*59. (1) An auditor appointed by a public entity in terms of section 58 (1) (b) may not be discharged before the expiry of that auditor's term of appointment except by the executive authority responsible for that public entity acting—* *(a) after consultation with the accounting authority for that public entity; and* *(b) with the concurrence of the Auditor-General.* Were the auditors discharged after consultation with the executive authority and with the concurrence of the Auditor-General and in terms of section 59?	✓		
66 (1) to 66(6)	*(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction-* *(a) is authorised by this Act; and* *(b) in the case of public entities, is also authorised by other legislation not in conflict with this Act; and* *(c) in case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of Borrowing Powers of Provincial Governments Act, 1996 (Act No. 48 of 1996)* *(2) Only the following persons may borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind the Revenue Fund to any future financial commitment:* *(a) Transactions that bind or may bind the National Revenue Fund: the Minister or, in the case of the issue of a guarantee, indemnity or security, the responsible Cabinet member acting with the concurrence of the Minister in terms of section 70.* *(3) Public entities may only through the following persons borrow money, or issue a guarantee, indemnity or security, or enter into any other transaction that binds or may bind that public entity to any future financial commitment:* *(a) A public entity listed in Schedule 2: The accounting authority for that Schedule 2 public entity.* *(b) A national government business enterprise listed in Schedule 3 and authorized by notice in the national Government Gazette by the Minister: The accounting authority for that government business enterprise, subject to any conditions the Minister may impose.* *(c) Any other national public entity: The Minister or, in the case of the issue of a guarantee, indemnity or security, the Cabinet member who is the executive authority responsible for that public entity, acting with the concurrence of the Minister in terms of section 70.* *(d) A provincial government business enterprise listed in Schedule 3 and authorized by notice in the national Government Gazette by the Minister: The MEC for finance in province, acting with concurrence of the Minister, subject to any conditions that the minister may impose.* *(4) Constitutional institutions may not borrow money. nor issue a guarantee. indemnity or security, nor enter into any other transaction that binds or may bind the entity to any future financial commitment.* *(5) Despite subsection (4), the Minister may in writing permit a public entity mentioned in subsection (3)(c) or a constitutional institution to borrow money for bridging purposes up to a prescribed limit, including a temporary bank overdraft, subject to such conditions as the Minister may impose.* *(6) A person mentioned in subsection (2) or (3) may not delegate a power conferred in terms of that subsection. except with the prior written approval of the Minister.*		✓	Not applicable.

Section	Question	Yes	No	Remarks
	(7) A public entity authorised to borrow money— *(a) must annually submit to the Minister a borrowing programme for the year; and* *(b) may not borrow money in a foreign currency above a prescribed limit, except when that public entity is a company in which the state is not the only shareholder.* Did the public entity borrow money or issue a guarantee or enter into any such transaction as referred to in this section? If so, have the requirements of sections 66 (1) a-c and 66 (2) to 66 (6), as applicable, been met?			
77 (a) (b)	*An audit committee—* *(a) must consist of at least three persons of whom, in the case of a department—* *(i) one must be from outside the public service;* *(ii) the majority may not be persons in the employ of the department, except with the approved of the treasury; and* *(iii) the chairperson may not be in the employ of the department;* *(b) must meet at least twice a year; and* Does the composition of the audit committee meet the requirements of this section and have they met as prescribed?	✓		

TREASURY REGULATIONS COMPLIANCE REPORT

Section	Question	Yes	No	Remarks
1. BUDGET AND RELATED MATTERS (CHAPTER 6)				
1.1 Tr(6.1.2)	Does the entity receive transfer payments appropriated from a vote?	✓		
1.1.1 Tr(6.1.2)	If so, did the entity submit all the information as required by the accounting officer responsible for the vote for the purposes of complying with the budget circular?	✓		
1.1.2 Tr(6.1.2)	Was the budget submission made through the accounting officer in charge of the department responsible for the entity?	✓		
1.1.3	Was the budget formally approved by the controlling department?	✓		
1.1.4	If the budget was reduced by the controlling department, was a new budget compiled and submitted by the entity and was it approved	✓		
2.1.1 Tr(25.1.1)	Is the public entity listed as required in terms of the PFMA?	✓		
2.1.1.1 Tr(25.1.2)	If not: were all moneys received deposited into the National Revenue Fund?		✓	Not applicable.
2.1.2 Tr(25.1.3)	Did the public entity submit all information required by the National Treasury in terms of the PFMA and these regulations to the Registrar of Public Entities in the National Treasury?	✓		
2.2 Listing (Chapter 25.2)				
2.2 Tr(25.2.1)	If the public entity is not listed, did the Accounting Authority submit the following information to the executive authority and the Registrar of Public Entities in support of its application for listing: (a) name of the public entity; (b) its main function;		✓	Not applicable. The entity is already listed as Schedule

Section	Question	Yes	No	Remarks
	(c) executive authority responsible for the public entity; (d) legislation in terms of which the entity was established; (e) dates of its incorporation and financial year end; (f) names of members of the board or body controlling the public entity; (g) its registered address and telephone numbers; (h) name of the chief executive officer; (i) name of the chief financial officer; (j) name of the company secretary; (k) authority responsible for appointing the chief executive officer; (l) authority responsible for appointing the board of directors or controlling body; (m) subsidiaries under the ownership control of the entity; (n) latest audit financial statements; (o) Amount of budgetary transfers received over the past three financial years; and (p) Most recent corporate/strategic plan of the public entity.			3A.
2. RESPONSIBILITIES OF DESIGNATED ACCOUNTING OFFICERS (CHAPTER 26)				
3.1 Tr(26.1.1)	Did the entity submit information on its actual revenue and expenditure up to the end of the quarter, as well as a projection of expected expenditure and revenue for the remainder of the current financial year to the designated accounting officer within 30 days of the end of each quarter? - Was information on actual revenue and expenditure determined after taking accruals into account?	✓		
3.2 Tr(26.1.2)	Did the accounting authority, through the designated accounting officer, report on the extent of compliance with the PFMA and the regulations? Was non-compliance reported together with reasons?	✓		
3.3 Tr(26.1.3)	Did the accounting officer approve the sharing of the services of the Audit Committee and internal audit after consultation with the relevant authority in the entity?	✓		
3. INTERNAL CONTROL AND CORPORATE MANAGEMENT (CHAPTER 27) **4.1 Audit Committee (Chapter 27.1)**				
4.1.1 Tr(27.1.1)	Did the accounting authority of the entity establish an Audit Committee as a sub-committee of the accounting authority?	✓		
4.1.2 Tr(27.1.3)	Does the chairperson of the committee comply with the following requirements: - Must be independent; - Must be knowledgeable of the status of the position; - Must have the requisite business, financial and leadership skills - May not be the chairperson of the accounting authority or a person who fulfils an executive function in the entity	✓		
4.1.3 Tr(27.1.4)	Are the majority of members non-exec members appointed by the accounting authority - are the majority of the members financially literate?	✓		
4.1.4 Tr(27.1.5)	Did the executive authority concur with the premature termination of the services of a member?	✓		
4.1.5 Tr(27.1.6)	Has the committee established written terms of reference which deals adequately with its membership, authority and	✓		

Section	Question	Yes	No	Remarks
	responsibilities? - Is it being reviewed at least annually to ensure its relevance?			
4.1.6 Tr(27.1.7)	Was it disclosed in the entity's annual report whether or not the Audit Committee has adopted a formal terms of reference? - if so, was it also disclosed whether the committee satisfied its responsibilities for the year, in compliance with its terms of reference?	✓		
4.1.7 Tr(27.1.8)	Did the Audit Committee review the following information: - Effectiveness of internal control systems; - Effectiveness of internal audit; - Risk areas of the entity's operations to be covered in the scope of internal and external audits; - The adequacy, reliability and accuracy of financial information provided the management and other users; - Any accounting and auditing concerns identified as a result of internal and external audit. - The entity's compliance with legal and regulatory provisions; - The activities of the IA function, including its annual work program, co-ordination with the external auditors, the reports of significant investigations, and the response of management to specific recommendations. - Where relevant, the independence and objectivity of the external auditors (where the Auditor-General is not the auditor).	✓		
4.1.8 Tr(27.1.9)	- Does the Audit Committee have explicit authority to investigate matters within its powers, as identified in the written terms of reference? - Was the Audit Committee provided with resources to investigate such matters and did the Audit Committee have full access to information? - Did the Audit Committee safeguard all information supplied to it within the ambit of the law?	✓		
4.1.9 Tr(27.1.10)	Did the Audit Committee: - report and make recommendations to the accounting authority - report on the effectiveness of the internal controls in the annual report - comment on its evaluation of the financial statements in the annual report	✓		
4.1.10 Tr(27.1.11)	Did the chairperson promptly report any report received from internal audit implicating any members of the accounting authority for financial misconduct to the executive authority or the Auditor-General.		✓	No members implicated.
4.1.11 Tr(27.1.12)	Did the Audit Committee report any concerns it deemed necessary to the executive authority, Auditor-General or external auditors.	✓		
4.1.12 Tr(27.1.13)	Does the Audit Committee meet at least annually with the External Auditor to ensure there are no unresolved issues of concern?	✓		
4.2 Internal controls and internal audit (Chapter 27.2)				
4.2.1 Tr(27.2.1)	- Was a risk assessment conducted at least annually? - Does the entity have a risk management strategy and does it include a fraud prevention plan? - Was the strategy clearly communicated to all employees?	✓		
4.2.2 Tr(27.2.2)	Was an internal audit function functioning during the year under review?	✓		

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	Remarks
4.2.3 Tr(27.2.3 & 4)	Where the internal audit was contracted out - were the tendering procedures properly followed? - were they independent (i.e. not external auditors)?	✓		
4.2.4 Tr(27.2.5)	- Is the purpose, authority and responsibility of the Internal Auditors function formally defined in the audit charter? - Is the above consistent with the Institute of Internal Auditor's definition of internal auditing?	✓		
4.2.5 Tr(27.2.6)	Was the internal audit conducted in accordance with standards set by the Institute of Internal Auditors	✓		
4.2.6 Tr(27.2.7)	Did the internal auditors in consultation with the Audit Committee prepare (a) a rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy; (b) an internal audit plan for the first year of the rolling plan; (c) plans indicating the scope of each audit in the annual internal audit plan; (d) reports to the Audit Committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.	✓		
4.2.7 Tr(27.2.8)	Does the internal audit function report directly to the Accounting Authority and report at all Audit Committee meetings? - Is the internal audit unit independent and is there no limitation of access to information?	✓		
4.2.8 Tr(27.2.9)	Did the internal audit function co-ordinate with other internal and external providers of assurance to ensure proper effort and minimise duplication of effort?	✓		
4.2.9 Tr(27.2.10)	- Did the internal audit function assist the accounting authority in maintaining effective controls by evaluating those controls to determine their effectiveness and efficiency and by developing recommendations for enhancement or improvement? - Did the controls encompass the following: (a) the Information systems environment? (b) The reliability and integrity of financial and operational info (c) The effectiveness of operations. (d) Safeguarding of assets, and (e) Compliance with laws, regulations and controls.	✓		
4.2.10 Tr(27.2.11)	Did the internal audit function assist the accounting authority in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which: (a) objectives and values are established and communicated. (b) The accomplishment of objectives is mentioned. (c) Accountability is ensured; and (d) Corporate values are preserved. (e)	✓		
4.3 Chief Financial Officer (Chapter 27.3)				
4.3.1 Tr(27.3.1)	Does the entity have a CFO. If not, was the appropriate approval received from treasury?	✓		
4. ANNUAL FINANCIAL STATEMENTS AND ANNUAL REPORTS (CHAPTER 28)				
5.1.1 Tr(28.1.1)	Does the AFS include a report by the accounting authority and contain disclosures of (a) emoluments of all directors and executive members (b) Emoluments paid/receivable by directors and executive members in aggregate and per director and executive	✓		

Section	Question	Yes	No	Remarks
	member for (c) Separate disclosure for executive directors, non-executive directors and executive members.			
5.1.2 Tr(28.1.4)	Does the disclosure include: (a) fees for services as a director or executive member. (b) Basic salary. (c) Bonuses and performance related payment. (d) Sums paid by way of expense allowances. (e) Contributions made to any pension fund, medical aid, insurance scheme, etc. (f) Any commission, gain or profit sharing arrangements. (g) Any share options including their strike price and period; and (h) Any other material benefits received.	✓		
5.1.4 Tr(28.3.1)	Did the accounting authority develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors?	✓		
5.1.5 Tr(28.1.6)	Did the public entity prepare financial statements in accordance the GRAP? - If not, was there disclosure of the departure, reasons and effect on financial statements?	✓		
5.1.6 Tr(28.3.1)	Does the annual report of the public entity's detail the materiality/significant framework applied during the financial year?	✓		
5. STRATEGIC PLANNING (CHAPTER 30) **6.1 Strategic plan (Chapter 30.1)**				
6.1.1 Tr(30.1.1)	Did the accounting authority of a public entity listed in terms of Schedule 3A annually submit a proposed strategic plan for approval by the executive authority Was the plan submitted at least 6 months before the start of the financial year of the designated department or any other time period as agreed between the executive authority and the public entity?	✓		
6.1.2 Tr(30.1.2)	Was the plan finalised and submitted to the executive authority by 1 April each year?	✓		
6.1.3 Tr(30.1.3)	Does the strategic plan (a) cover a period of three years; (b) include objectives and outcomes as identified by the executive authority; (c) include multi-year projections of revenue and expenditure; (d) include key performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; (e) include the materiality/significant framework , referred to in TR 28.1.5? (f) be updated annually on a rolling basis; and (g) form the basis for the annual reports of accounting authorities in terms of section 55 of the Act.	✓		
6.1.4 Tr(30.1.4)	Was the additional information as required by the executive authority included in the plan?	✓		
6.2 Evaluation of Performance (Chapter 30.2)				
6.2.1 Tr(30.2.1)	Were procedures established by the accounting authority for quarterly reporting to the executive authority in order to facilitate effective performance monitoring, evaluation and corrective action?	✓		

6. CASH, BANKING AND INVESTMENT MANAGEMENT (CHAPTER 31) **7.1 Cash management (Chapter 31.1)**				
7.1.1 Tr(31.1.1)	Did the accounting authority for entities listed in Schedule 3 establish systems, procedures and training and awareness programmes to ensure efficient and effective banking and cash management?	✓		
7.1.2 Tr(31.1.2)	Does the cash management include (a) collecting revenue when it is due and banking it promptly; (b) making payments no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the public entity's normal terms of account payments; (c) avoiding pre-payments for goods or services (i.e. payment in advance of the receipt of goods or services, unless required by the contractual arrangements with the supplier); (d) accepting discounts to effect early settlement when the payment has been included in the monthly cash flow estimates provided to the chief financial officer; (e) pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the public entity are collected and banked promptly; (f) accurately forecasting the public entity's cash flow in order to optimise its central cash management responsibilities; (g) timing the in and outflow of cash; (h) recognising the time value of money, i.e. economically, efficiently and effectively managing cash; (i) taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets; (j) conducting bank reconciliation's at least weekly; (k) making regular cash forecasts; (l) alignment of the approved budget with monthly cash flows; (m) variance analyses of actual cash flow with the approved budget; and (n) sweeping bank accounts to effectively utilise surplus cash.	✓		
7.1.3 Tr(31.1.3)	Is the cash management performance reported at least on a monthly basis?	✓		
7.2 Banking Framework (Chapter 31.2)				
7.2.1 Tr(31.2.1)	Did National Treasury approve the bank where entities listed in schedule 3 intended to open a bank account? Is a list of existing banking accounts submitted to National Treasury by 31 May each year?	✓		
7.2.2 Tr(31.2.2)	Has National Treasury proposed a bank? If so, did the public entity open an account in that relevant bank? If not, did the entity take into account (a) that the bank is registered with the South African Registrar of Banks; (b) that the bank is a member or sponsored by a member of the Payments Association of South Africa; (c) the bank's contracting with persons, or categories of persons historically disadvantaged by unfair discrimination on the basis of race, gender or disability; (d) the cost effectiveness; and (e) the ability of the bank to provide the required services which through adequate systems, infrastructure and branch networks.	✓		

Section	Question	Yes	No	Remarks
7.2.3 Tr(31.2.3)	Was the adjudication and awarding of the tender done in accordance with the public entity's internal tendering procedures.	✓		
7.2.4 Tr(31.2.4)	Did the accounting authority or the person to whom such authorisation was delegated open a bank account?		✓	Not applicable.
7.3 Investment Policy (Chapter 31.3)				
7.3.1 Tr(31.3.1)	Does the entity have funds under management? If so, has an investment policy been approved by the accounting authority?	✓		
7.3.2 Tr(31.3.2)	Does the policy include (a) selection of counter-parties through credit risk analyses; (b) establishment of investment limits per institution; (c) establishment of investment limits per investment instrument; (d) monitoring of investments against limits; (e) reassessment of investment policies on a regular basis; (f) reassessment of counter-party credit risk based on credit ratings; (g) assessment of investment instruments based on liquidity requirements.	✓		
7.3.3 Tr(31.3.3)	Did the public entity listed in terms of Schedule 3A or 3C invest surplus funds with the Corporation for Public Deposits?	✓		
7.3.4 Tr(31.3.4)	Note: Surplus funds refer to all money in excess of a given day's projected cash flow requirements plus a liquidity buffer needed to cover unforeseen expenses on that day.	✓		
7.3.5 Tr(31.3.5)	Did entities exempted from TR 31.3.3 invest surplus funds in an institution with an investment grade rating and was it in line with an investment policy?	✓		
7.3.6 Tr(31.4.1)	Did the entity promptly disclose information regarding cash, banking and investment management when so requested by National Treasury?	✓		
8.BORROWING AND LEASES (CHAPTER 32) **8.1 Borrowing (Chapter 32.1)**				
8.1.1 Tr(32.1.1)	Did the public entity listed in Schedule 3A borrow money for bridging purposes? If so, did the Minister of Finance approve the borrowing? Were the following conditions applied? (a) the debt must be repaid within 30 days of the end of the financial year; (b) borrowing may not exceed a limit determined in advance by the Minister of Finance, in consultation with the national executive authority or provincial MEC for finance, whichever appropriate; (c) foreign borrowing may not be undertaken; (d) a request for borrowing for bridging purposes must be submitted to the Minister of Finance at least 30 days before the borrowing. The following must be submitted together with the request – (i) detailed cash flow and income and expenditure statements indicating how the debt will be repaid during the prescribed period; and (ii) the terms and conditions on which the money is borrowed.		✓	Not applicable.
8.1.2	The above paragraph does not apply to the use of credit cards,		✓	Not

Section	Question	Yes	No	Remarks
Tr(32.1.2)	fleet management cards or other credit facility repayable.			applicable.
8.2.1 Tr(32.2.3)	- Did an entity listed in schedules 2,3,4, 3B and 3D enter into a finance lease transaction? - If so, did the entity enter into it through the following functionaries: (a) public entity listed in schedule 2: the accounting authority for that entity; (b) a national public entity listed in schedule 3A: the Minister of Finance; (c) a national government business enterprise listed in schedule 3B and authorised by the Minister by notice in the national Government Gazette: the accounting authority of that business enterprise, subject to conditions that the Minister may impose; (d) a provincial business enterprise listed in schedule 3D and authorised by the Minister by notice in the National Government Gazette: the MEC for finance in the province, acting with the concurrence of the Minister,. Subject to any conditions that the Minister may impose.		✓	Not applicable. All leases transaction s are treated as operating lease.
7. FINANCIAL MISCONDUCT (CHAPTER 33) **9.1 Investigation of alleged financial misconduct (Chapter 33.1)**				
9.1.1 Tr(33.1.1)	Was an employee alleged to have committed financial misconduct? If so, did the accounting authority ensure that an investigation was conducted into the matter and if confirmed a disciplinary hearing was carried out in accordance with the relevant prescripts?		✓	
9.1.2 Tr(33.1.2)	Was the investigation instituted within 30 days from the date of discovery of the alleged financial misconduct?		✓	
9.1.3 Tr(33.1.3)	If the accounting authority or its members is alleged to have committed the misconduct, did the executive authority initiate an investigation into the matter and if the allegations were confirmed, did he/she ensure that the appropriate disciplinary proceedings were initiated immediately?		✓	
9.1.4 Tr(33.1.4)	Did the National Treasury, after consultation with the executive authority (a) direct that a person other than an employee of the public entity conducts the investigation; (b) issue any reasonable requirement regarding the way in which the investigation should be performed.		✓	
9.2 Criminal Proceedings (Chapter 33.2)				
9.2.1 Tr(33.2.1)	If any criminal charges were laid in terms of section 86 of the PFMA, did the accounting authority advise the Auditor-General, the executive authority and National Treasury of the above occurring?		✓	
9.3 Reporting (Chapter 33.3)				
9.3.1 Tr(33.3.1) Sec 85 (1)	Did the accounting authority on an annual basis submit a report to the executive authority, National Treasury and the Auditor-General a schedule of (a) the outcome of any disciplinary hearings and/or criminal charges; (b) the names and ranks of employees involved; and the sanctions and any further actions taken against these employees.		✓	