



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

1 JULY – 30 SEPTEMBER 2015

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1. INTRODUCTION

The 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 Programme and Strategic Matters

2.1.1 Advising the Minister of Higher Education and Training

During this period no requested or pro-active advice was finalised.

2.1.2 Recognition of Prior Learning (RPL), Credit Accumulation and Transfer (CAT), and Assessment

Comments from public and private higher education institutions on the draft policy on RPL, CAT and Assessment were received and processed in August 2015. The draft policy was subsequently revised taking into consideration the comments and suggestions received. The revised draft policy is currently undergoing further internal refinement. It is expected that the final draft will serve at the next HEQC meeting in November 2015 to obtain approval to print and publish it during the last quarter of 2015/16 financial year.

2.1.3 Quality management of short courses

As reported previously, a reference group comprising five short course experts from different universities, was set up to provide independent inputs on the draft good practice guide on the quality management of short courses. The draft document was sent out to members of the reference group in early July 2015, and the reference group met to present its inputs on 4 August 2015. The draft guide document was subsequently revised taking into consideration the comments and suggestion made by the reference group. It was subsequently sent out to three external peer reviewers who are expected to provide their comments by the end of October 2015. Once the feedback from the reviewers has been received and integrated, the draft guide document will serve at a meeting of the HEQC to obtain approval.

2.1.4 Roles of the HEQC and statutory professional councils in accreditation

The following draft documents were prepared as requested by the working group on the relationship between HEQC and professional councils at its meeting in March 2015:

- Framework clarifying the roles of the HEQC and the professional councils in accreditation; and principles governing collaborative functioning of both sides; and
- Analysis of the legislative frameworks that govern professional councils in relation to the Higher Education Act 101 of 1997, as amended.

The draft framework will be discussed at the next meeting of the working group in November 2015. As agreed by the working group, the draft document on the analysis of the legislative frameworks that govern professional councils in relation to the Higher Education Act will be reviewed by the CEO who will take a decision regarding the possibility of having it tabled at the meeting of the CEO Committee.

2.1.5 Comments on the Draft Policy Framework for Workplace-based Learning

Comments were provided, through the Acting CEO, on the 'Draft Policy Framework for Workplace-based Learning in South African Post-School Education and Training System' on request from the Department of Higher Education and Training. The draft policy framework seeks to create a regulated workplace-based learning system in order to improve the transition from learning to work.

2.1.6 NQF-related activities

- A report on progress made in the implementation of the priority areas as outlined in the Ministerial Guidelines for 2014/15 and 2015/16, was submitted to the CEO Committee through SAQA.
- A CHE representative took part in the work of two SAQA-led task teams. One task team is on the development of a policy on dealing with misrepresentation of qualifications; and the other is on the revision of the joint communiqué on interim guidelines for the registration and accreditation of private providers offering qualifications and part-qualifications in the trade and occupational sector.

2.1.7 International Conferences

Four staff members travelled internationally during this quarter.

- Prof Diane Grayson: 14 – 17 June 2015. Attended the 122nd Annual Conference of the American Society for Engineering Education (ASEE) in Seattle, United States of America.
- Prof Kethamonie Naidoo: 15 – 17 July 2015. Attended the 40th International Improving University Teaching (IUT) conference at the University of Ljubljana in Slovenia. Prof Naidoo is a member of the Advisory Board.
- Dr Louie Swanepoel: 29 - 30 July 2015. Validation Workshop on Pan African Quality Assurance and Accreditation Framework in Accra, Ghana from 29 - 30 July 2015 where she presented a paper and facilitated a session.
- Mr Ntokozo Bhengu: 30 August – 2 September 2015. Presented a paper at the 37th Annual EAIR Forum Krems – 2015 Danube University, Krems, Austria.
- Prof Diane Grayson: 28 September – 2 October 2015. Study visit to a range of universities in Scotland together with 14 Deputy Vice-Chancellors for Learning and Teaching from South African universities. A Quality Enhancement Project activity.

2.2 Governance and Management Issues

2.2.1 Strategic Plan 2015-2020 - Annual Performance Plan 2016/17 - MTEF Budget 2016/17-2018/19

The first draft of the Strategic Plan 2015-2020, Annual Performance Plan 2016/17 and the MTEF Budget 2016/17-2018/19 was submitted to DHET on 31 August 2015.

2.2.2 Meetings

Six governance meetings were held during this quarter
4 and 17 September, Council
29 July Executive Committee (EXCO)
27 July Audit and Risk Committee (ARC)
2 September Higher Education Quality Committee (HEQC) and
3 September Human Resources and Remuneration Committee (HRRC).

The Chair of Council, Acting Chief Executive Officer, Acting Director Monitoring and Evaluation, and three Council members briefed the Portfolio Committee on Higher Education and Training on 19 August 2015 on the CHE's Twenty Year Review research project. The delegation was accompanied by the CEO: Designate in attendance.

3. MONITORING AND EVALUATION

3.1 Research Projects

3.1.1 Higher Education Performance Indicators

VitalStats 2013 is complete and is currently being disseminated.

3.1.2 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, was discussed with Council in November and Council members have since commented on the document. Further research is being undertaken to revise the document before it will be released to institutions after approval by Council as a discussion document.

3.1.3 Student Governance at Public Higher Education Institutions

A discussion paper based on the research undertaken in this project has been developed for internal discussion.

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

A presentation of the draft review was made to the Portfolio Committee on Higher Education on 19 August 2015. Their comments and other comments received are being taken into consideration in a final edit of the chapters.

3.1.5 Reflections on Academic Leadership

The publication of the book is in process.

3.1.6 Admissions and Placement Mechanisms in Higher Education Institutions

Given that the Minister's response to the Task Team's proposal for undergraduate curriculum reform suggests that the proposal will not be adopted immediately, this project has been put on hold.

3.1.7 The role of information communication technology (ICT) in higher education

This project is still in the conceptualisation phase.

3.2 HEQCIS: Data Collection

Since inception:

Of the 152¹ institutions that have started using the system, 128 institutions² are expected to load learner data and 127 (i.e. 99% of all unique PHEIs) had submitted at least one full data load each. The 128 institutions included 124 PHEIs that had successfully loaded onto the HEQCIS for the second time or more by 29 September 2015. The total numbers loaded onto the HEQCIS, thus far, are 327 552 learners with 349 084 qualification uptake results (85 855 achievements and 239 027 enrolments) between them (a further 24 202 were shown as de-enrolled). This indicates an increase of 2 945 learners loaded during the first cycle³ of 2015 (the most recent cycle).

Most recent data-load cycle:

The pool for the current cycle (which has reached its half-way mark and will be completed on 15 December 2015) is made up of 115 unique PHEIs. Of the current 115 registered institutions using the system, 37 institutions (i.e. 32% of all unique PHEIs, which is 10% higher than last year at the same time) have successfully submitted at least one full data load each within the current cycle. The total numbers⁴ loaded during the current cycle are 154 562 learners with 167 952 qualification uptake results (27 049 achievements and 167 952 enrolments) between them (a further 16 318 were shown as de-enrolled).

3.2.2 Private Higher Education Management Information System

The database structure has continued to work well.

The pilot of the loading of data into the additional sections of the database that were requested via the PHEIs Working Group (chaired by the CHE CEO), namely staff member information and student FTEs, was completed in July 2015. The loading of data into the new sections of the database (especially staffing data) became compulsory for all PHEIs from 11 August 2015.

The read-only connection to the database, set up by Praxis for HEQCIS staff plus some CHE staff and the NLRD Director, continued to work well.

¹ These include 21 institutions (with 25 campuses) that have been de-registered.

² These include 4 institutions that were deregistered after their first loads.

³ The first cycle of 2015 (last cycle) was 16 December 2014 to 15 June 2015. The second cycle (current) is 16 June to 15 December 2015.

⁴ 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).

4. QUALITY ASSURANCE AND QUALITY PROMOTION

4.1 Forums, Workshops and Conferences

4.1.1 Quality Assurance Fora

Work on the logistics and the programmes for the QA fora for public and private higher education institutions was undertaken and completed. The QA forum for the public higher education institutions will take place on 6 October 2015, at the CHE in Pretoria; while the QA forum for private higher education institutions will take place on 8 October 2015 at Birchwood Hotel in Boksburg. The programmes of both fora include external speakers.

4.1.2 Accreditation Workshops

One workshop was held on 18 and 19 August 2015 at the University of the Western Cape. During this workshop 47 academics were trained to become future evaluators.

4.1.3 Conference

Dr Marianne Engelbrecht attended and presented at the HERS-SA Academy 2015 which was held from 7 to 11 September in Cape Town. Her presentation on academic leadership won the prize for the best paper presentation at the event.

4.2 CHE-HELTASA National Excellence in Teaching Awards

The CHE manages the processes and logistics of the CHE/HELTASA Excellence in Teaching Awards. The directors for Quality Assurance and Promotion Coordination (QAPC) and Institutional Audits, serve on the Awards Selection Committee. Two meetings of the Awards Selection Committee were organised and held on 12 August and 10 September 2015, respectively. The first one was to consider portfolios submitted by all applicants and come up with a shortlist of candidates for further consideration. At this meeting eleven candidates were shortlisted to be interviewed via skype. The interviews took place during the second meeting on 10 September 2015 where the final winners were selected. Five will receive the awards at the HELTASA Conference in Potchefstroom in November 2015; and six were sent letters of commendation.

4.3 Contribution towards building QA capacity in eastern and southern Africa

The CHE, as the oldest national higher education quality assurance (QA) body in eastern and southern Africa, is respected by the relatively new national QA bodies in these two regions of Africa. It therefore, from time-to-time, receives requests from these sister bodies to host some of their officials on missions to learn about the South Africa QA systems, tools, practices and processes. In July and August 2015, the CHE hosted officials from Angola and Lesotho in southern Africa, and Kenya in eastern Africa.

The Angolan delegation visited the CHE on 9 July 2015. It comprised three senior directors from the Institute for Evaluation, Accreditation and Recognition of Qualifications; which is an entity within the Ministry of Higher Education of the Republic of Angola. The main objective of the visit to the CHE was to learn about the higher education QA system in general, and how the CHE accredits and/or regulates the provision of higher education through open and distance learning modes.

On 3 August 2015, a delegation comprising three senior officials from the Commission for University Education in Kenya, undertook a study tour of the CHE. The delegation's main interest was to learn about CHE's good practices in the areas of accreditation, institutional audits and management of higher education data and information. The

Commission for University Education in Kenya is both a QA as well as a student funding body, and therefore the delegation was also interested to learn about the state of affairs in South Africa regarding student funding.

A delegation from the Council on Higher Education in Lesotho, comprising the CEO, member of Council and a director, visited the CHE on 14 August 2015, accompanied by a senior official in the Lesotho's Ministry of Education. The main objective of the visit was to learn about how the CHE relates to professional councils with regard to accreditation and regulation of professional programmes in higher education. The delegation was also interested in learning about how the CHE deals with the challenges of regulating international institutions that provide higher education programmes through local institutions, or through distance learning.

The CHE prepared the necessary material and deployed its senior staff to present to, and discuss the visiting officials on matters of interest to them. Relevant brochures, literature and other resources were also made available to the visitors. The feedback received on the delegations' return to their respective countries confirmed that they learnt a lot about QA on their visits to the CHE.

4.4 Programme Accreditation

The HEQC met on 2 September 2015 and made final decisions on 119 new programmes for accreditation and on 10 new / relocated sites of delivery as recommended by the Accreditation Committee at its meeting of 30 June – 2 July 2015. During this meeting 2 accreditation site visit reports were tabled for 2 institutions.

In addition to the number of HEQC outcomes, 31 programmes were deferred during the Accreditation Committee (AC) held on 20 June – 2 July 2015. These programmes were deferred back to the Institutions because the AC needed more information before they could make a recommendation to the HEQC.

4.4.1 Applications Received

Of the 186 new submissions received via the HEQC-online system during this financial quarter for processing, 122 were from public higher education institutions and 64 from private higher education institutions⁵. 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 health, commerce and education programmes, imposing increasing pressure on our resources.

Table 1: New Applications received per NQF level

NQF Level	Number of Applications: Private Providers	Number of Applications: Public Providers
Level 5	18	11
Level 6	17	15
Level 7	13	41
Level 8	9	34
Level 9	6	17
Level 10	1	4
TOTAL	64	122

⁵ New applications, with regard to Private Higher Education Institutions, refers to all new applications for accreditation submitted during the indicated reporting period, 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		10
Architecture and the Built Environment		3
Visual and Performing Arts	4	6
Business, Economics and Management Studies	26	21
Communication, Journalism and Related Studies		
Computer Science and Information Sciences	1	1
Education		20
Engineering	3	24
Health Professions and Related Clinical Sciences	21	13
Family Ecology and Consumer Sciences	1	3
Languages, Linguistics and Literature		
Law	2	3
Life Sciences	1	5
Physical Sciences	1	4
Mathematics and Statistics		
Military Sciences		2
Philosophy, Religion and Theology	2	2
Psychology	1	
Public Management and Services		2
Social Sciences	1	3
TOTAL	64	122

4.4.2 Re-accreditation

At its meeting of 2 September 2015, the HEQC considered recommendations for re-accreditation of 19 institutions. Of these 19 institutions, 11 site visit reports were tabled for 10 of these institutions in response to the Accreditation Committee/HEQC deferring these re-accreditation applications pending the site visits.

The HEQC noted 11 institutional recommendations for deferral pending the completion of further processes. The HEQC is further considering recommendations for non-re-accreditation of 20 programmes.

During the course of this financial year, the Accreditation Directorate received a total of 137 submissions for the re-accreditation of individual programmes and 28 self-evaluation reports (SER) from private higher education institutions (PHEIs) scheduled for re-accreditation in 2015. Programmes are re-accredited after producing a first cohort of graduates and are thereafter included as part of a self-evaluation report for subsequent re-accreditation processes. These programme and SER submissions are currently being screened for completeness and will proceed to peer evaluation in the third quarter of the financial year.

4.4.3 HEQSF alignment process

The Accreditation Directorate has received a total of 1278 applications for Category B HEQSF-alignment, which refers to those programmes that require less than 50% changes to the curriculum in order for them to be aligned with the requirements of the HEQSF. Of these submissions, 990 have been approved as HEQSF-aligned.

Further, submissions of those applications that were deferred requiring improvement, and representations of those applications that were evaluated as not HEQSF-aligned, have been received and evaluated. The outcomes of 197 Category B programmes were tabled at the HEQC meeting of 2 September 2015 for approval. It is anticipated that a further 56 representations are yet to be submitted. Once received and processed, the HEQSF-alignment project will be closed.

4.4.4 Summary of HEQC decisions

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.

In addition to the 119 applications for accreditation of new programmes that the Directorate completed processing in this quarter, the HEQC also considered 10 submissions for new / relocated sites of delivery. A summary of the decisions by the HEQC is contained in Table 3 below:

Table 3: Summary of HEQC decisions

Total number of programmes for accreditation⁶	119
<i>Programmes accredited</i>	52
<i>Programmes accredited (with conditions)</i>	31
<i>Programmes not accredited</i>	35
<i>Decisions deferred</i>	1
New / relocated site of delivery⁷	10
Total number of sites of delivery visited⁸	0
Total number of programmes for Re-Accreditation	100
<i>Programmes re-accredited</i>	0
<i>Programmes re-accredited (with conditions)</i>	1
<i>Programmes not re-accredited</i>	20
<i>Decisions deferred</i>	74
<i>Accreditation status extended</i>	5
Total number of Category B programmes for HEQSF-alignment	197
<i>Category B programmes approved HEQSF-aligned and accredited</i>	171
<i>Category B programmes approved not HEQSF-aligned</i>	26

⁶ Total number of programmes for accreditation refers to all applications for accreditation including new applications for accreditation, deferrals, and representations. Outcomes for these programmes include accredited, accredited with conditions, not accredited and deferred decision.

⁷ This figure refers to all individual applications for new or relocated sites of delivery. This figure is not included in the total number of programmes for accreditation.

⁸ This figure refers to the number of sites visited for reasons including new applications for accreditation, conditions met, representations, deferrals, re-accreditation and complaints. This figure is not included in the total number of programmes for accreditation.

4.5 National Standards and Reviews

4.5.1 Bachelor of Social Work (BSW)

The HEQC accreditation decisions were sent to the institutions on 6 July 2015. Of the 9 BSW improvement plans submitted, 3 institutions were de-accredited, and have been requested to submit teach-out plans. The other 6 have been directed to revise their improvement plans and re-submit by 30 September 2015.

4.5.1.1 Improvement Plans (IP)

The North-West University, University of Free State, University of Cape Town and University of Venda have already re-submitted their IPs. The University of Zululand was given an extension until 09 October 2015 to re-submit theirs. Furthermore, the Directorate will conduct a follow-up site visit to the University of Free State on 14 October 2015. The site visit report will serve at the National Review Committee (NRC) meeting in November 2015.

4.5.1.2 BSW Teach-Out Plans

The HEQC approved the recommendations of the NRC that University of Limpopo, Walter Sisulu University and University of South Africa BSW programme be de-accredited. These institutions were requested to submit teach-out plans.

The UNISA met with the CHE and the South African Council for Social Service Professions (SACSSP) on 31 July 2015. The purpose of the meeting was to discuss the implications of the de-accreditation outcome for the UNISA BSW programme on the 15900 students enrolled in the programme. UNISA requested guidance on the drafting of the teach-out plan, and on how to communicate effectively to all affected stakeholder groups. There was a mutual agreement at the meeting to support efforts towards improvement of the quality of the UNISA BSW programme, and to ensure that the pipeline students are not disadvantaged by the de-accreditation decision. UNISA also indicated that development of a new programme was underway. Overall, SACSSP committed to continue registering graduates from the de-accredited programme.

UNISA has already submitted the teach-out plan. The plan will be discussed at the November NRC meeting.

4.5.2 National Review of Bachelor of Laws (LLB) Degree

The LLB Reference Group met on 18 July to finalise the Self Evaluation Report (SER) template and Manual in preparation for a LLB National Review. The NRC recommended the draft SER template and Manual to HEQC for approval, and the HEQC approved these documents in September.

The Directorate met with The South African Law Deans Association (SALDA) in Durban on 7- 8 July 2015. The purpose of the meeting was a further consultation on the LLB national review, especially aspects of the review that SALDA considered critical to the success of the process. SALDA gave valuable feedback on the draft review criteria and minimum standards.

4.5.3 Standards Development

The following standards statements were made available for public comment until 18 September 2015 on the CHE website. Comments have since been received, and were mostly positive. These standards statements are now available for the public and other stakeholders on the CHE website for use:

- Master of Business Administration (MBA)
- Bachelor of Laws (LLB)
- Diploma in Engineering (Dip Eng)
- Bachelor of Engineering (BEng)
- Bachelor of Social Work (BSW)

The Directorate in consultation with the Engineering Standards working group have started drafting two engineering qualifications standards for Bachelor of Engineering Technology and Advanced Diploma in Engineering. The first draft should be ready for consultation with the sector later in the year.

The Directorate also participated in a South African Sports Confederation and Olympic Committee SASCOC meeting organised for the South African Higher Education Sports Coaching Platform (SAHESCP) held on 15 September 2015. These are institutions that expressed interest in developing or aligning their existing programmes to the South African Sports Coaching Framework. A proposal was made by the SAHESCP and SASCOC to develop Sport Coaching standards for a Diploma and a Degree. A meeting is already planned with the academic community with an interest in sports coaching for 23 November 2015 in this regard.

The Directorate continues to engage with nursing education through the Forum of University Nursing Deans in South Africa (FUNDISA) to explore the prospects of developing qualification standards for one of the nursing qualifications. Meetings with the representatives from FUNDISA took place on 23 July and 7 August 2015. A follow-up meeting is planned to take place in November 2015 with representatives from key stakeholder groups in nursing education.

The Director attended a meeting of the International Council for Coaching Excellence (ICCE) International Coaching Degree Standards working group on 10 September. The working group is charged with the responsibility to develop a set of internationally accepted Standards for Higher Education Bachelor Degree Programmes in Sport Coaching by March 2016. The standards are envisaged to support higher education institutions wishing to develop Bachelor Degree Programmes in Sports Coaching and to promote mutual recognition of coaching education programmes. The Director was nominated by SASCOC to represent South Africa in the working group.

4.6 Institutional Audits

4.6.1 Quality Enhancement Project

Two QEP workshops were held for private providers that completed the voluntary on-line QEP baseline submission. The content of the two workshops was the same. Venues for the workshops were provided free of charge by two private providers. The first workshop took place from 4 to 5 August at St Augustine College in Johannesburg and was attended by 39 people. The second workshop took place from 17 to 18 September at Vega College in Cape Town and was attended by 46 people. Both workshops comprised a combination of talks and discussion on QEP focus areas 2 and 3, namely, Enhancing Student Support and Development and Enhancing the Learning Environment. One invited speaker from a local university per focus area gave a presentation at each workshop.

On 21 August a QEP student workshop was held at Birchwood Conference Centre for two student representatives per university. The workshop provided an opportunity for students to learn about quality assurance and the QEP and to suggest ways in which students can be actively involved in promoting student success.

On 31 August a meeting of the QEP DVC Forum was held. One of the purposes of this forum is to identify issues of national concern affecting student success in higher

education and, where possible, initiate actions. Through the QEP a number of issues have surfaced that affect student success and should be addressed at national level. Most of the meeting was spent brainstorming possible actions that could be undertaken to address several key issues related to each of the four QEP focus areas. Following the meeting, DVCs were grouped into four teams, one per focus area, to develop actions that will lead to improvements at national level. The process is modelled on Strategic Doing, a change process developed at Purdue University and designed to bring about rapid changes in networked, non-hierarchical groups.

From 28 September to 2 October the Director: Institutional Audits will be leading a group of 15 DVCs on a trip to Scotland, organised in conjunction with QAA Scotland, which has been running quality enhancement activities since 2003 and influenced the conceptualisation of the QEP. On the first day the DVCs will have a day-long meeting with their Scottish counterparts. On the other four days the group will be hosted by a number of Scottish universities representing a range of institutional types, including ancient, modern, multi-campus and distance.

Phase 1 of the QEP will end in December 2015 when institutions submit their final reports. An invitation has been sent out for senior university staff to apply to be QEP peer reviewers, who will provide individual feedback to institutions in the first half of 2016. Training will take place on 30 November and 1 December.

4.6.2 Ongoing activities from the first cycle of institutional audits

The resubmitted progress report has been received from Mangosuthu University of Technology and will be discussed by the Institutional Audit Committee when it next meets on 4 November 2015. The North West University has agreed to submit its final progress report by 31 March 2016.

4.6.3 Other

The Director and Senior Manager are involved in the TDG-funded HELTASA Teaching Advancement at Universities (TAU) project as member of the management committee and adviser, respectively.

5. CORPORATE SERVICES

5.1 HUMAN RESOURCES

5.1.1 Employment Profile

There have been a few employment movements during the quarter under review and of the 51 posts on the organisational structure, 46 are filled and 5 are vacant, which has remained the same as at the end of the last quarter. However there have been two (2) appointments and two terminations (2), one termination being as a result of the incumbent not meeting probationary requirements. A number of interviews were held and one employee, a Researcher in the Institutional Audits directorate is scheduled to commence in January 2016. The search for the CHE's Chief Executive Officer has been concluded. Prof. Narend Bajnath, formerly Pro- Vice Chancellor of the University of South Africa, assumes this function with effect from 1 October 2015. The table below depicts the employment profile as at 30 September 2015:

Salary Band	Number of employees employed at the beginning of the period - 1 July 2015	Number of appointments made during July, August and September 2015	Number of terminations made during July, August and September 2015	Number of employees employed at the end of the period - 30 September 2015
Top Management	0	0	0	0
Senior Management	7	0	0	7
Professional qualified	14	0	2	12
Skilled	23	2	0	25
Unskilled	2	0	0	2
TOTAL	46	2	2	46

Note: The lines above do not add up horizontally.

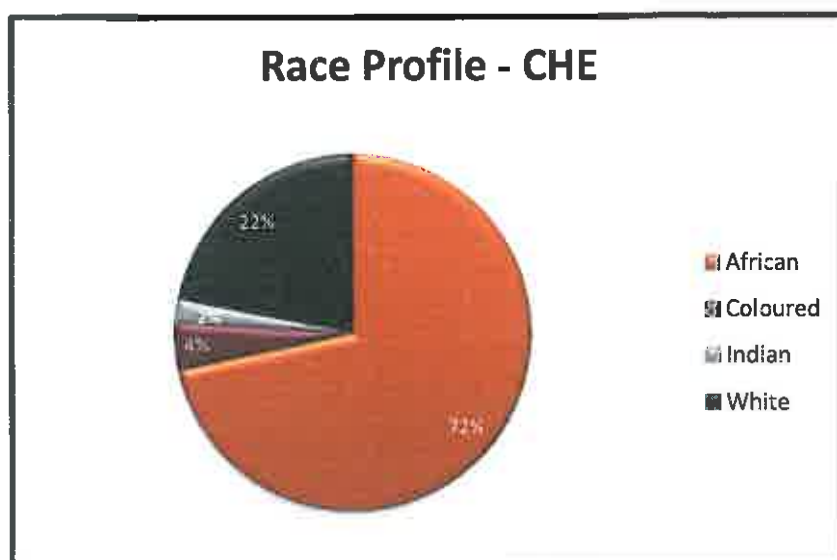
Second column: Appointments made in the first month of the period under review, e.g. July are included in the number of people employed at the beginning of the period – 1 July 2015.

Third column: All appointments made in the period July, August and September 2015 are shown.

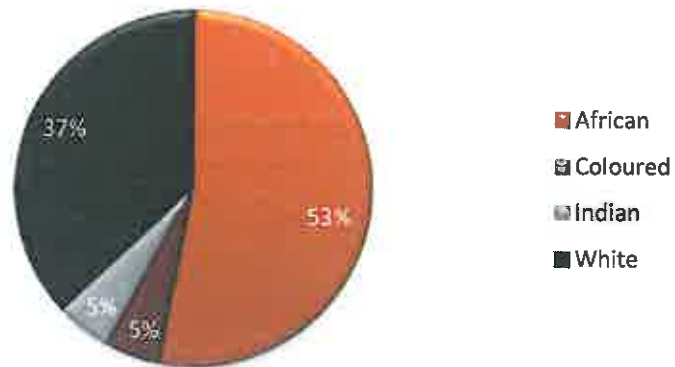
Fourth column: Terminations are reported the month after the employee exits. The termination in this column was in the employ of the CHE until September 2015. These figures exclude internal promotions.

5.1.2 Employment Equity Profile

The overall profile in terms of race and gender is 72% African, 4% Coloured, 2% Indian, 22% White and 74% female and 26 % male. The profile at management level is 53% African, 5% Coloured, 5% Indian, 37% White and 26 % male and 74% female. The profiles have remained constant since the end of the 2014/15 financial year with a minor increase in white employees. The CHE's employment equity plan is to increase the number of white employees, males and people with disabilities. Although there is some progress in other areas, the CHE has experienced a lot of challenges with the attraction of potential employees with disabilities over the last three years. There is a need for a different approach in addressing this, going forward.

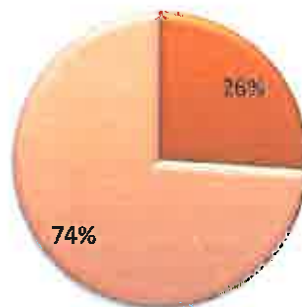


Race Profile - Management



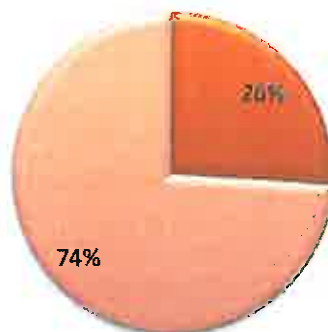
Gender Profile - CHE

MALE FEMALE



Gender Profile - Management

MALE FEMALE



5.1.3 Staff Training and Development

Total training costs as a percentage of personnel costs for the quarter under review is 1.4% with fourteen (14) employees trained during the period. This is a significant increase compared to the previous quarter, in terms of the number of personnel trained (3 versus 14).

Training and development conducted during the quarter is reflected below:

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of personnel Cost	Number of employees trained	Average training cost per employee
*Administration	2 857	53	2%	8	6 627.67
Monitoring and Evaluation	1 075	31	3%	2	15 726.08
Programme Accreditation	1 672	14	1%	3	4 564.94
National Standards and Reviews	603	6	1%	1	6340.80
Institutional Audits	833	0	0%	0	0
TOTAL	7 040	104	**1.4%	14	33 259.49
* Includes Corporate Services, and Chief Executive Officer's office. ** Not a sum total but an average.					

5.1.4 Labour Relations

The labour relations environment has been unstable in the quarter under review, particularly since September. This was as a result of some serious breaches with the Recognition Agreement between the CHE and NEHAWU with regards to the election of Shop Stewards.

The matter was escalated to the NEHAWU Regional office and the newly elected shop stewards were subsequently de-recognised by the CHE for failure to comply with the Recognition Agreement.

Election of new shop stewards is scheduled for 16 October 2015 and the Human Resources Directorate will play a crucial role in this process in line with the spirit of the Agreement.

Pursuant to a NEHAWU General meeting held on 2 October 2015, Michael Gordon, the outgoing shop steward was requested to continue to function as the official representative until the elections have been concluded. The issues emanating from this process have generated a lot of tension organisation wide. A few interventions have been planned to address these issues.

5.1.5 Overview of Human Resources – Key Ratios

It has become imperative for the CHE to report on key ratio's by means of various scorecards, to measure HR efficiency, impact, quality, productivity and costs associated with some critical HR interventions implemented over the last year, namely the wellness programme, absenteeism, competency framework, training and development etc. Some of these have both productivity and financial implications.

These ratios will subsequently assist Management in identifying interventions/ initiatives to address issues like capacity and loss of critical skills timeously.

Over the next few months a few of these statistics will be introduced and will inform the revision of the Human Resources Strategy, going forward. See **Annexure A**.

5.2 FINANCE AND SUPPLY CHAIN

5.2.1 Tenders

Two tenders were awarded in this quarter, catering and cleaning services:

Catering services

A panel of professionals for catering services were appointed for three years:

- Ancer PTY LTD;
- TTT On The Move Courier And Projects;
- Plaatjies Caterers;
- Ethels Creations CC;
- Peace of Mind Caterers CC;
- Lebogangwako Trading and Supplies PTY LTD; and
- Titlonyeni Catering Services and Projects.

Cleaning services

Monabo Hygiene Services were awarded a cleaning service tender to the value of R674 044.11 for three years.

5.2.2 Audit and Risk Committee

An Audit and Risk Committee (ARC) meeting was held on the 27th July 2015. The following documents were presented and recommended by ARC for approval by Council: Auditor General Draft management report; Audited annual financial statements for 2014/2015; 1st quarterly report for the year 2015/2016 inclusive of expenditure report and performance indicators; Guidelines for appointment of peer academics; Progress report on SARS fraud case; and the High Court case on SANTS.

5.2.3 Internal Audit

Internal auditors submitted a planning memorandum for the following Internal Audit reviews: revenue function; procurement function; and financial management function.

The scope of the revenue audit covered the following areas:

- Government transfers and subsidies;
- Accreditation revenue; and
- Progress on the CHE's plan to improve revenue collection and the identification of additional sources of revenue.

The scope of the procurement audit covered the following areas:

- Procurement Policies and Procedures: Existence, Adequacy, Review and Compliance;
- Delegation of Authority: Existence and Adherence;
- Segregation of duties: Adherence to standard procurement procedures with regards to requisitioning, quotations, ordering, and receipt of goods and services;
- Competitive bidding i.e. quotations and tender processes;

- Maintenance of suppliers' master-file: Registration, updates as well as rotation of suppliers;
- Tender processing: adherence to policy and procedures
 - Requisitioning, specifications, advertising, bid collection, adjudication and evaluation;
 - Bid Adjudication Committee - existence, composition thereof and adherence to the guiding policy;
- Training of SCM officials;
- Emergency procurement - existence of and adherence to guidelines;
- BEE Targets; and
- Contracts Management.

The scope of the financial management audit covered the following areas:

- Bank and Cash;
- Budget Control;
- Invoicing and Payments; and
- Financial Reporting.

Revenue audit:

A revenue audit was conducted and no significant findings were identified.

5.2.4 External audit

The Auditor General completed their audit process for the year 2014/2015 at the end of July 2015 and the CHE received a clean audit report - the first since its establishment. The audit findings identified were as follows:

- SBD4s not completed prior to transactions taking place. The SBD4s were subsequently obtained and no conflicts were identified;
- an employee who received external remuneration without approval. The entity with which the employee transacted was not connected to CHE;
- one contract awarded to bidders who did not declare on whether they were employed by the state; and
- incorrect disclosure of Trade Receivables as Prepayments.

A strategic audit action plan has been developed to address these audit findings and a progress report will be presented quarterly to the Audit and Risk Committee and Council.

5.2.5 Risk management

A workshop and individual sessions with Directorates on the development of a strategic and operational risk register was conducted by the internal auditors between 8 and 20 July 2015. Operational risk registers for all Directorates were developed. A Progress Report on the risk registers will be completed quarterly and presented to Audit and Risk Committee and Council.

5.3 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Information and Communication Technology is increasingly advanced and has become pervasive in enterprises and in social, public and business environments. As computer technology has advanced, organisations have become increasingly dependent on computerised information systems to carry out their business operations and service delivery and to process, maintain and report essential information. This dependency on computerised information systems aligned with critical processes requires ongoing monitoring to ensure that minimum operational requirements are met on a continuous basis.

In the case of the CHE, the computer system is the backbone for processing accreditation applications, and other core functions are also dependent on computer systems.

During the quarter under review an assessment was conducted by the CHE's internal auditors to assess the current capabilities giving consideration for positioning ICT as one of the CHE's strategic enablers for the organisation.

This informed the decision regarding key specifications / requirements for future tender processes for the various CHE ICT projects. Two tenders, one for the Web based online systems and the other for the network systems, have been finalised and will be advertised in the tender publications.

In the near future the integration of the systems will be informed by the CHE's strategic intent.

7. PERFORMANCE INDICATORS

NON-FINANCIAL PERFORMANCE PLAN INDICATORS: 2015/16

Strategic Objective	Programme	Performance indicator	2015 – 2016 - Second Quarter: 1 July – 30 September 2015					Challenges	Evidence / Comment
			2014 - 2015 Audited output	Annual target 1 April 2015 – 31 March 2016	2nd Quarter Target 1 July – 30 September 2015	Cumulative Total Full year	2nd quarter Actual Output 1 July – 30 September 2015		
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	100% response to requests for advice responded to within the timeframe requested.	100% 2	100%	100% of requests received	1	0		The number of responses cannot be predetermined as it is dependent on the number of requests received from the Minister. i) Comments on DHET's draft Policy on Social Inclusion
		Number of pieces of advice on own initiative on issues identified as relevant flowing from the activities of the CHE.	2	2	0	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.
		Production of performance indicators report (on-going projects).	1	1	0	1	1		The VitalStats 2013 publication is complete and is being distributed to institutions. ISBN: 978-1-919856-96-4
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	Projects in progress.	4	4	4	4	4	4	These projects are long-term projects which will run throughout the year. The cumulative total will remain constant at 4. i) Review of the State of Higher Education: 1994-2014 ii) Reflections on Academic Leadership iii) Governance Challenges in Public Higher Education iv) The role of ICT in higher education.
		Dissemination of research findings. Number of publications.	2	2	0	1	0		Publication of research reports. i) Content Analysis of the Baseline Institutional Submissions for Phase 1 of the Quality Enhancement Project

2015 – 2016 - Second Quarter 1 July – 30 September 2015									
Strategic Objective	Programme	Performance indicator	2014 - 2015	Annual target 1 April 2016 – 31 March 2016	2nd Quarter Target 1 July – 30 September 2015	Cumulative Total Full year	2nd quarter Actual Output 1 July – 30 September 2015	Challenges	Evidence / Comment
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 (QEP)	Institutional Audits	Monitoring of progress reports linked to institutional improvement plans	100% 2 audits were closed and 4 institutions continue to be monitored.	100% monitoring of all progress reports received	100% monitoring of all and progress reports received	100% monitoring of all and progress reports received	100% monitoring of all and 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 2016.
		Submission of Institutional Reports on the QEP focus area	n/a	23	0	0	0		Reports
		Synthesis of results from QEP Phase 1 focus areas based on the institutional baseline data submitted	n/a	1	0	1	1		Publication: Content Analysis of the Baseline Institutional Submissions for Phase 1 of the Quality Enhancement Project ISBN: 978-1-919856-97-1
		3 workshops for institutions to discuss synthesised report of baseline data linked to QEP focus areas	n/a	2	1	5	3		Workshop documentation
		Percentage of new accredited programmes with an approved HEQC outcome tabled within 6 months of screening.	n/a	65%	25% of applications received for accreditation	35%	64% 119 programmes tabled at HEQC	31 Programmes deferred back to institutions during the AC meeting linked to the AC meeting. If the programmes were not deferred the performance rating would have been 81%.	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.
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 re-accredited programmes with an approved HEQC outcome tabled within 18 months of screening.	n/a	60%	25% of applications received for re-accreditation 2012/13	0	42% 8 out of 19 institutions tabled at HEQC	The re-accreditation process entails the self-evaluation of the institution, the evaluation of programmes as well as a site visit report. All of these recommendations must be collated in one report per institution. There is always a carry-over of re-accreditation applications from one quarter to the next.	The HEQC considered recommendations for 19 institutions for re-accreditation. Of these 19 institutions, the HEQC noted 11 institutional recommendations for deferral pending the completion of further processes.

Strategic Objective	Programme	Performance indicator	2015 – 2016 - Second Quarter: 1 July – 30 September 2015					Evidence / Comment
			2014 - 2015	Annual target 1 April 2015 – 31 March 2016	2nd Quarter Target 1 July – 30 September 2015	Cumulative Total Full year	2nd quarter Actual Output 1 July – 30 September 2015	Challenges
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* Merged Directorate National Standards and Reviews.	n/a	n/a	75% of applications received	75% of applications received	100%	100% 13 site visits were done	These site visits were part of the accreditation as well as re-accreditation process.
		Percentage of site visits completed with an HEQC outcome within one year of screening.	n/a	75% of applications received	75% of applications received	100%	100% 13 site visits were done	These site visits were part of the accreditation as well as re-accreditation process.
		Number of training workshops for evaluators discipline groups/report writing	7	4	1	4	1	Accreditation held the following workshops during the first quarter of the year. • 18 – 19 August UWC Evaluator Training
		Finalisation of National report on Bachelor of Social Work programme.	0	1	0	0	0	The 2 nd draft Report was presented to the HEQC on 10 June 2015 for noting. Report was sent back to the author for further work as the quality of the report was unsatisfactory. Ongoing
		Analyse and approve institutional improvement plans relating to the Bachelor of Social Work programme.	n/a	n/a	100% of improvement plans received	100%	100% 5	4 BSW revised improvement plan: re-submitted for consideration by the NRC HEQC in November. 1 Teach-out plan submitted for consideration. Follow-up site visit UFS planned for 14 October. Monitoring of the plans. (Improvement and Teach-out plans ongoing)
		Development of agreed criteria to guide the national review of the LLB	0	1	0	1	1	Criteria/minimum standards and Review manual for the LLB review approved by HEQC. Institutions have started drafting their SERs. Completed.
		Site visits by peer panels to evaluate the LLB offered by higher education institutions.	n/a	100%	0	n/a	n/a	Site visits will only start in May 2016
		Number of training workshops for evaluators/ chairs of site visit panels.	n/a	4	1	0	0	4 Reference Group workshops held: SER writing workshop for the institutions planned for 27 October 2015 completed.

2015 – 2016 - Second Quarter: 1 July – 30 September 2015							
Strategic Objective	Programme	Performance indicator	2014 - 2015		2015 – 2016 - Second Quarter: 1 July – 30 September 2015		
			Audited output	Annual target 1 April 2015 – 31 March 2016	2nd Quarter Target 1 July – 30 September 2015	Cumulative Total Full year	2nd quarter Actual Output 1 July – 30 September 2015
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.	2	3	3	0	0
							Two workshops will be held in October 2015. • 6 October public providers • 8 October private providers
Number Ten: To ensure the development of human resources management environment that enables staff to develop their full potential.	Administration	Number of staff training programmes offered.	68% 53 training events	70% of staff undergoing training and development.	30% of staff undergoing training and development.	48 % of staff trained year to date. 22 Training events. 17 employees trained so far.	41.3% trained. 19 Training events 14 employees trained.
							Training plan in place, not formally signed due to representation. (Labour critical part of the committee & have not had full representation since October 2014.) However training plan being implemented. Plans underway to have labour representation & committee meeting by 30 October 2015.
							Planned vs Actual Training Training Reports
Number Eleven: To ensure that financial administration and supply chain management is complaint with the requirements of the PFMA, relevant Treasury regulations and laws.	Administration	Filling of critical vacant positions, including reduced turnaround time – maximum three months. Review, update and develop finance and supply chain policies	90%	80 % of organisational structure filled.	80 % of organisational structure filled.	90% positions filled so far.	90% of organisational structure filled. 48 out of 61.
							Quarterly Employment Profile Report.
							Signed policies First quarter should have read 27% (9/33) Three new policies were developed during the second quarter.
Number Twelve: To ensure effective governance and compliance of ICT with statutory requirements.	Administration	Development and implementation of ICT policies, processes and systems which relate to the Framework.	n/a	100%	25%	Non-cumulative	10% Procurement Plan in line with DPFA ICT framework completed.
							3 policies being reviewed for further recommendation by ICT Steering Committee & subsequently by Council.
							Completed policies. Quarterly reports.



2nd QUARTER EXPENDITURE SUMMARY REPORT AS AT 30th SEPTEMBER 2015

SUMMARY					
	TOTAL BUDGET	1st QUARTER 01/04/2015 - 30/06/2015	2nd QUARTER 01/07/2015 - 30/09/2015	YTD	% OF EXP VS BUDGET
	R	R			%
INCOME	62 075 697	11 976 659	12 124 491	24 101 150	39%
DHET - Government grant	40 819 000	10 204 000	10 204 000	20 408 000	50%
Roll over funds	14 228 697	-	-	-	0%
Private Accreditation - Cost Recovery	4 000 000	910 526	1 030 107	1 940 633	49%
Interest Income	851 000	317 883	346 134	664 017	78%
Deferred Transfer-STDs	2 177 000	544 250	544 250	1 088 500	50%
EXPENDITURE	62 075 697	12 361 302	11 891 609	24 252 911	39%
GOODS AND SERVICES	29 784 220	5 324 386	3 925 702	9 250 087	31%
PERSONNEL	31 359 877	7 025 812	7 864 878	14 890 690	47%
CAPEX	931 600	11 105	101 029	112 134	12%
INCOME LESS EXPENDITURE	-	(384 643)	232 882	(151 761)	0%

BANK BALANCES AS AT 30 SEPTEMBER 2015

INVESTEC BANK	17 580 517
STD BANK - TRANSACTION ACCOUNT	595 308
STD BANK - PRIVATE ACCREDITATION	146 065
TOTAL AVAILABLE	18 321 880



2nd QUARTER EXPENDITURE REPORT PER DIRECTORATES AS AT 30 SEPTEMBER 2015

DIRECTORATES	TOTAL BUDGET	1st QUARTER 01/04/15- 30/06/15	2nd QUARTER 01/07/15- 30/09/15	YTD	% OF EXP VS BUDGET
	R	R			%
CEO'S OFFICE	11 434 670	1 148 901	1 491 868	2 640 769	23%
Goods and Services	7 016 670	525 370	778 439	1 303 809	19%
Personnel	4 418 000	623 531	713 429	1 336 960	30%
SUPPORT SERVICES	21 261 664	3 774 169	4 973 995	8 748 164	41%
Goods and Services	12 786 156	1 348 665	2 060 504	3 409 169	27%
Personnel	8 475 508	2 425 504	2 913 491	5 338 995	63%
MONITORING AND EVALUATION	7 523 034	2 546 019	1 262 574	3 808 593	51%
Goods and Services	3 711 000	1 522 501	202 713	1 725 214	46%
Personnel	3 812 034	1 023 518	1 059 861	2 083 379	55%
INSTITUTIONAL AUDITS	5 918 863	1 415 258	978 310	2 393 568	40%
Goods and Services	2 074 185	614 504	153 522	768 026	37%
Personnel	3 844 678	800 754	824 788	1 625 542	42%
ACCREDITATION	10 208 586	2 386 533	2 369 270	4 755 803	47%
Goods and Services	4 363 000	964 015	714 977	1 678 992	38%
Personnel	5 845 586	1 422 518	1 654 293	3 076 811	53%
NATIONAL REVIEWS AND STANDARDS	5 728 882	1 080 422	815 592	1 906 014	33%
Goods and Services	1 965 311	360 435	116 576	477 011	24%
Personnel	3 763 571	729 987	699 016	1 429 003	38%
GRAND TOTAL	62 075 699	12 361 302	11 891 609	24 252 911	39%

REASONS FOR OVER AND UNDER SPENDING PER DIRECTORATES

Note: Reasons for over and under spending will cover Directorates that are 3% below or above the spending threshold of 50%.

CEO'S OFFICE

Goods & services underspent by 31% due to other projects/activities planned to take place in the 3rd and 4th quarter.
Personnel underspent by 20% as a result of funded CEO post which was filled in October 2015.

SUPPORT SERVICES

Goods & services underspent by 23% due to the just increased budget after the approval of roll over funds.
Personnel overspent by 17% as a result of retention allowance which was not budgeted for.

INSTITUTIONAL AUDITS

Goods & services underspent by 12% due to other projects/activities planned to take place in the 3rd and 4th quarter.
Personnel 8% underspent as a result of vacant funded manager post.

NATIONAL REVIEWS AND STANDARDS

Goods & services 26% underspent to other projects/activities planned to take place in the 3rd and 4th quarter.
Personnel underspent by 19% as a result of vacant funded manager and administrator posts.

COUNCIL ON HIGHER EDUCATION



2nd QUARTER EXPENDITURE DETAIL REPORT AS AT 30 SEPTEMBER 2015

Note: Note numbers are allocated for expenditure items that are 3% below or above the spending threshold of 50%.

	TOTAL BUDGET	1st QUARTER 01/04/15- 30/06/15	2nd QUARTER 01/04/15- 30/06/15	YTD	% OF EXP VS BUDGET	NOTES
	R	R	R		%	
INCOME SOURCES	62 075 697	11 976 658	12 124 491	24 101 150	39%	
CHET - GOVERNMENT GRANT	40 819 000	10 204 000	10 204 000	20 408 000	50%	
DEFERRED TRANSFER - STDs	2 177 000	544 250	544 250	1 088 500	50%	
PRIVATE ACCREDITATION	4 000 000	910 526	1 030 107	940 633	49%	
INTEREST AND OTHER INCOME	85 000	317 883	346 134	664 017	78%	1
ROLL OVER BUDGET	14 228 697				0%	2
TOTAL EXPENDITURE	62 075 697	12 381 302	11 891 609	24 252 911	39%	
ACCOMMODATION	1 096 318	187 880	163 782	351 662	32%	3
AIR TRAVEL	2 231 968	533 216	391 672	924 888	41%	4
CAR HIRE	247 208	18 160	20 652	38 812	16%	5
ROAD TRAVEL	553 399	127 315	108 953	236 268	42%	6
SERVICE FEES	206 158	19 520	21 146	40 666	20%	7
SUBSISTENCE	120 115	27 394	30 027	57 421	48%	
PEER ACADEMICS	4 917 000	772 335	485 765	1 258 100	26%	8
CONSULTANCY	1 459 498		132 403	132 403	9%	9
OUTSOURCED SERVICES	1 490 634	1 496 101	40 999	1 537 100	44%	10
ADMINISTRATION	2 057 819	275 507	217 427	492 934	24%	11
REGISTRATION FEES	92 810		15 047	15 047	18%	12
VENUE AND CATERING	788 972	280 555	98 742	379 297	48%	
OFFICE SUPPLIES	101 500	49 936	16 636	66 572	66%	13
HONORARIUMS	685 000	2 000 00	6 000 00	8 000	1%	14
LEGAL FEES	1 508 700	169 598	93 653	263 251	5%	15
INSURANCE	280 000	48 458	84 149	132 607	47%	
REMUNERATION OF COUNCIL MEMBERS	1 025 942	156 909	373 574	530 483	52%	
EXTERNAL AUDIT	880 000	166 004	418 074	584 078	66%	16
INTERNAL AUDIT	413 273	-	-	-	0%	17
LICENCE FEES	240 000	122 734	76 221	198 955	83%	18
MEDIA & RESOURCES	183 900	17 011	38 748	55 759	30%	19
INFORMATION SYSTEMS	1 605 670	114 342	429 168	543 510	34%	20
BUILDING & UTILITIES	2 610 940	739 410	664 864	1 404 274	54%	21
PERSONNEL	31 359 877	7 025 812	7 864 878	14 890 690	47%	
CAPEX	931 900	11 105	101 029	112 134	12%	22
TOTAL (OVER) OR UNDER SPENDING	-	(384 643)	232 682	(151 762)		



REASONS FOR OVER AND UNDER SPENDING

Note: An explanation for over and under spending will cover expenditure items that are 3% below or above the spending threshold of 50%.

1	The 28% relates to more income received is attributed by the fluctuation of the cash available in the bank.
2	The 50% unallocated budget was due to the late approval in the second quarter by National Treasury.
3 to 7	The under spending in these line items is due to the increase of the budget at the end of the second quarter when the roll over funds were approved. Spending is expected to increase in the next two quarters.
8	The 24% under spending is as a result of increased budget after the rollover approval. Spend is expected to increase in the next two quarters.
9	The 41% under spending is due to Consultancy services only required in the second quarter and the budget was increased due to roll over of funds.
10	The 6% under spending in the outsourced services is due to increased budget due to roll over of funds and the work not yet undertaken.
11	The 26% under spending is as a result of low usage in some admin items such as photocopying, stationery, telephone etc.
12	The 32% under spending is attributed by the fact that the expenditure will only incur when the need arise.
13	The 16% over spending is due to stationery being bought in bulk.
14	The 49% under spending relates to no request received to pay honorariums. Honorariums are normally awarded at the end of the financial year.
15	The 44% under spending is a result of legal claims not yet received for payment.
16	The 16% over spending is due to the previous audit work paid in the current year.
17	The 50% under spending is as a result of work not yet done.
18	The 33% over spending relates to once off payment on annual licence fees and also under budgeting for this item.
19	The 20% under spending is attributed by the fact that the expenditure will only incur when the need arise.
20	The 16% under spending is due to some outsourced services been done internally.
21	The 4% over spending is attributed by the restructuring of office space in the 1st quarter.
22	The 38% under spending is a result of purchase orders issued but goods not yet delivered.

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)?	✓		
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)?	✓		
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 any 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)?	✓		

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	Remarks
50(2)	<p>(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—</p> <p>(a) act in a way that is inconsistent with the responsibilities assigned to an accounting authority in terms of this Act; or</p> <p>(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.</p> <p>Did the accounting authority comply with the restraints stipulated in section 50(2)?</p>	✓		
50(3)(a) 50(3)(b)	<p>(3) A member of an accounting authority must—</p> <p>(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</p> <p>(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.</p> <p>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?</p> <p>And (b) withdrew from the proceedings of the accounting authority when that matter was considered, unless the exclusion as stipulated was applicable?</p>	✓		
51(1)(a)	<p>(1) An accounting authority for a public entity—</p> <p>(a) must ensure that that public entity has and maintains—</p> <p>(i) effective, efficient and transparent systems of financial and risk management and internal control;</p> <p>(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</p> <p>(iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;</p> <p>(iv) a system for properly evaluating all major capital projects prior to a final decision on the project;</p> <p>Did the accounting authority for a public entity comply with the stipulations contained in section 51(1)(a)?</p>	✓		
51(1)(b)	<p>(1) An accounting authority for a public entity—</p> <p>(b) must take effective and appropriate steps to—</p> <p>(i) collect all revenue due to the public entity concerned; and</p> <p>(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</p> <p>(iii) manage available working capital efficiently and economically;</p> <p>Did the accounting authority comply with the stipulations contained in section 51(1)(b)?</p>	✓		
51(1)(c)	<p>(1) An accounting authority for a public entity—</p> <p>(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;</p> <p>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?</p>	✓		

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	Remarks
51(1)(d)	<p>(1) An accounting authority for a public entity— (d) must comply with any tax, levy, duty, pension and audit commitments as required by legislation;</p> <p>Did the accounting authority comply with any tax, levy, duty, pension and audit commitments as required by legislation.</p>	✓		
51(1)(e)	<p>(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 expenditure;</p> <p>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)?</p>		✓	No financial misconduct took place in the public entity during this period.
51(1)(f)	<p>(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;</p> <p>Did the accounting authority submit all stipulated information to stipulated users as prescribed by section 51(1)(f)?</p>	✓		
51(1)(g)	<p>(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</p> <p>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?</p>		✓	Not applicable.
51(1)(h)	<p>(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.</p> <p>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?</p>	✓		
51 (2)	<p>(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.</p> <p>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?</p>	✓		

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Section	Question	Yes	No	Remarks
53(1)	<p>(1) 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</p> <p>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?</p>		✓	Not applicable.
53(2)	<p>(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.</p> <p>Was the budget submitted to the executive authority through the accounting officer for a department designated by the executive authority?</p>	✓		
53(3)	<p>(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.</p> <p>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?</p>		✓	
53(4)	<p>(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.</p> <p>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?</p>	✓		
54(1)	<p>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.</p> <p>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?</p>	✓		
54(2)	<p>(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:</p> <p>(a) establishment or participation in the establishment of a company;</p> <p>(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;</p> <p>(c) acquisition or disposal of a significant shareholding in a company;</p> <p>(d) acquisition or disposal of a significant asset;</p> <p>(e) commencement or cessation of a significant business activity; and</p> <p>(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p> <p>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</p>	✓		

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Section	Question	Yes	No	Remarks
	the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction?			
54(3)	<p>(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.</p> <p>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)?</p>	✓		
55(1)(a) 55(1)(b) 55(1)(c) 55(1)(d)	<p>(1) The accounting authority for a public entity—</p> <p>(a) must keep full and proper records of the financial affairs of the public entity;</p> <p>(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;</p> <p>(c) must submit those financial statements within two months after the end of the financial year—</p> <p>(i) to the auditors of the public entity for auditing; and</p> <p>(ii) if it is a business enterprise or other public entity under the ownership control of the national government, to the treasury; and</p> <p>(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—</p> <p>(i) an annual report on the activities of that public entity during that financial year;</p> <p>(ii) the financial statements for that financial year after the statements have been audited; and</p> <p>(iii) the report of the auditors on those statements.</p> <p>Does the accounting authority for a public entity:</p> <p>a) Keep full and proper records of the financial affairs of the public entity?;</p> <p>b) Prepare financial statements for each financial year in accordance with generally accepted accounting practice (gaap), unless the stipulated deviation from gaap applies?;</p> <p>c) Submit those financial statements within two months after the end of the financial year to the stipulated institutions?;</p> <p>and</p> <p>d) Submit within five months of the end of a financial year to the stipulated institutions:</p> <p>i) An annual report on the activities of that public entity during that financial year</p> <p>ii) The financial statements for that financial year after the statements have been audited and</p> <p>iii) The report of the auditors on those statements?</p>	✓		
55(2)(a) 55(2)(b) 55(2)(c)	<p>(2) The annual report and financial statements referred to in subsection (1) (d) must—</p> <p>(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;</p> <p>(b) include particulars of—</p> <p>(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(iii) any losses recovered or written off,</p> <p>(iv) any financial assistance received from the state and commitments made 10 by the state on its behalf and</p>	✓		

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Section	Question	Yes	No	Remarks
	<p>(v) any other matters that may be prescribed; and</p> <p>(c) include the financial statements of any subsidiaries.</p> <p>Does the annual report and financial statements referred to in section 55(1)(d):</p> <p>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?;</p> <p>b) Include particulars of the matters referred to in section 55(2)(b)?; and</p> <p>c) Include the financial statements of any subsidiaries?</p>			
55(3)	<p>(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.</p> <p>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?</p>	✓		
55(4)	<p>(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.</p> <p>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?</p>		✓	Not relevant to the Entity. Applicable to Treasury.
56(1)	<p>(1) The accounting authority for a public entity may—</p> <p>(a) in writing delegate any of the powers entrusted or delegated to the accounting authority in terms of this Act, to an official in that public entity; or</p> <p>(b) instruct an official in that public entity to perform any of the duties assigned to the accounting authority in terms of this Act.</p> <p>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?</p>	✓		
56(2)	<p>A delegation or instruction to an official in terms of subsection (1)—</p> <p>(a) is subject to any limitations and conditions the accounting authority may impose;</p> <p>(b) may either be to a specific individual or to the holder of a specific post in the relevant public entity; and</p> <p>(c) does not divest the accounting authority of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.</p> <p>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?</p>	✓		
56(3)	<p>(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.</p> <p>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?</p>		✓	Not applicable.
57(a) to c) & (e)	<p>An official in a public entity—</p> <p>(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;</p>	✓		
57(d)				

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Section	Question	Yes	No	Remarks
	<p>(b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;</p> <p>(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;</p> <p>(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</p> <p>(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.</p> <p>Did all officials in the public entity:</p> <p>a) Comply with the stipulations of section 57 within that official's area of responsibility</p> <p>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?</p>			
58(1)	<p>(f) The annual financial statements of a public entity must be audited annually by—</p> <p>(a) the Auditor-General; or</p> <p>(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.</p> <p>Are the annual financial statements of the public entity audited on an annual basis by one of the two stipulated parties?</p>	✓		
58(3)	<p>(3) A public entity must consult the Auditor-General on the appointment of an auditor in terms of subsection (2).</p> <p>Did the public entity consult the Auditor-General on the appointment of an auditor in terms of section 58(2)?</p>	✓		
58(2)	<p>(2) A public entity may appoint, as its auditor, a person referred to in subsection (1)(b) only if the audit is not performed by the Auditor-General</p> <p>Did the appointment of an auditor other than the Auditor-General:</p> <p>A) Comply with the stipulations contained in section 58(1)(b) and</p> <p>B) Occurred only as a result of the fact that the Auditor-General do not perform the audit?</p>		✓	Not applicable.
59	<p>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—</p> <p>(a) after consultation with the accounting authority for that public entity; and</p> <p>(b) with the concurrence of the Auditor-General.</p> <p>Were the auditors discharged after consultation with the executive authority and with the concurrence of the Auditor-General and in terms of section 59?</p>	✓		
66 (1) to 66(6)	<p>(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—</p> <p>(a) is authorised by this Act; and</p> <p>(b) in the case of public entities, is also authorised by other legislation not in conflict with this Act; and</p> <p>(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)</p> <p>(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</p>		✓	Not applicable.

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Section	Question	Yes	No	Remarks
	<p><i>future financial commitment:</i></p> <p><i>(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.</i></p> <p><i>(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:</i></p> <p><i>(a) A public entity listed in Schedule 2: The accounting authority for that Schedule 2 public entity.</i></p> <p><i>(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.</i></p> <p><i>(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.</i></p> <p><i>(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.</i></p> <p><i>(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.</i></p> <p><i>(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.</i></p> <p><i>(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.</i></p> <p><i>(7) A public entity authorised to borrow money—</i></p> <p><i>(a) must annually submit to the Minister a borrowing programme for the year; and</i></p> <p><i>(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.</i></p> <p>Did the public entity borrow money or issue a guarantee or enter into any such transaction as referred to in this section?</p> <p>If so, have the requirements of sections 66 (1) a-c and 66 (2) to 66 (6), as applicable, been met?</p>			
77 (a) (b)	<p><i>An audit committee—</i></p> <p><i>(a) must consist of at least three persons of whom, in the case of a department—</i></p> <p><i>(i) one must be from outside the public service;</i></p> <p><i>(ii) the majority may not be persons in the employ of the department, except with the approved of the treasury; and</i></p> <p><i>(iii) the chairperson may not be in the employ of the department;</i></p> <p><i>(b) must meet at least twice a year; and</i></p> <p>Does the composition of the audit committee meet the requirements of this section and have they met as prescribed?</p>	✓		

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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)	<p>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:</p> <ul style="list-style-type: none"> (a) name of the public entity; (b) its main function; (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. 		✓	Not applicable. The entity is already listed as Schedule 3A.

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Section	Question	Yes	No	Remarks
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?		✓	Not applicable
4.1.5 Tr(27.1.6)	Has the committee established written terms of reference which deals adequately with its membership, authority and 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	✓		

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Section	Question	Yes	No	Remarks
	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.		✓	Not applicable
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.		✓	Not applicable
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?	✓		
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.	✓		

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Section	Question	Yes	No	Remarks
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 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 GAAP? - If not, was there disclosure of the departure, reasons and effect on financial statements?		✓	Prepared in terms of GRAP as per National Treasury Instruction
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?	✓		

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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	✓		

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	Remarks
	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; 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.	✓		
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?		✓	Not applicable.
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?	✓		

PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	Remarks
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?	✓		
7. 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 Tr(32.1.2)	The above paragraph does not apply to the use of credit cards, fleet management cards or other credit facility repayable.		✓	Not 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 transactions are treated as operating lease.
8. 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?		✓	No financial misconduct occurred.
9.1.2 Tr(33.1.2)	Was the investigation instituted within 30 days from the date of discovery of the alleged financial misconduct?		✓	No financial misconduct occurred.
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?		✓	No financial misconduct occurred.
9.1.4 Tr(33.1.4)	Did the National Treasury, after consultation with the executive authority		✓	No financial misconduct

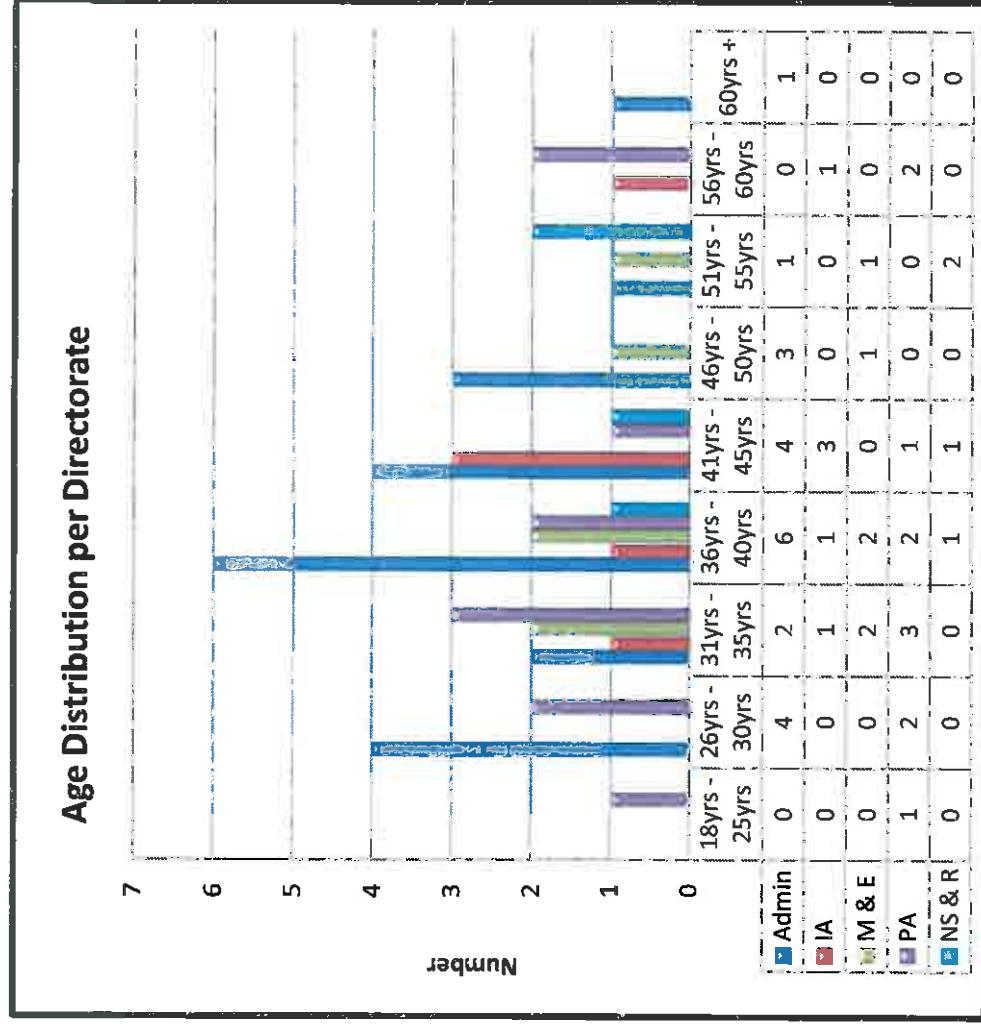
PFMA AND TR COMPLIANCE CHECKLIST

Section	Question	Yes	No	Remarks
	(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.			occurred.
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?		✓	No criminal offence occurred.
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.		✓	No disciplinary hearing required

Annexure A

1. Employee Profile

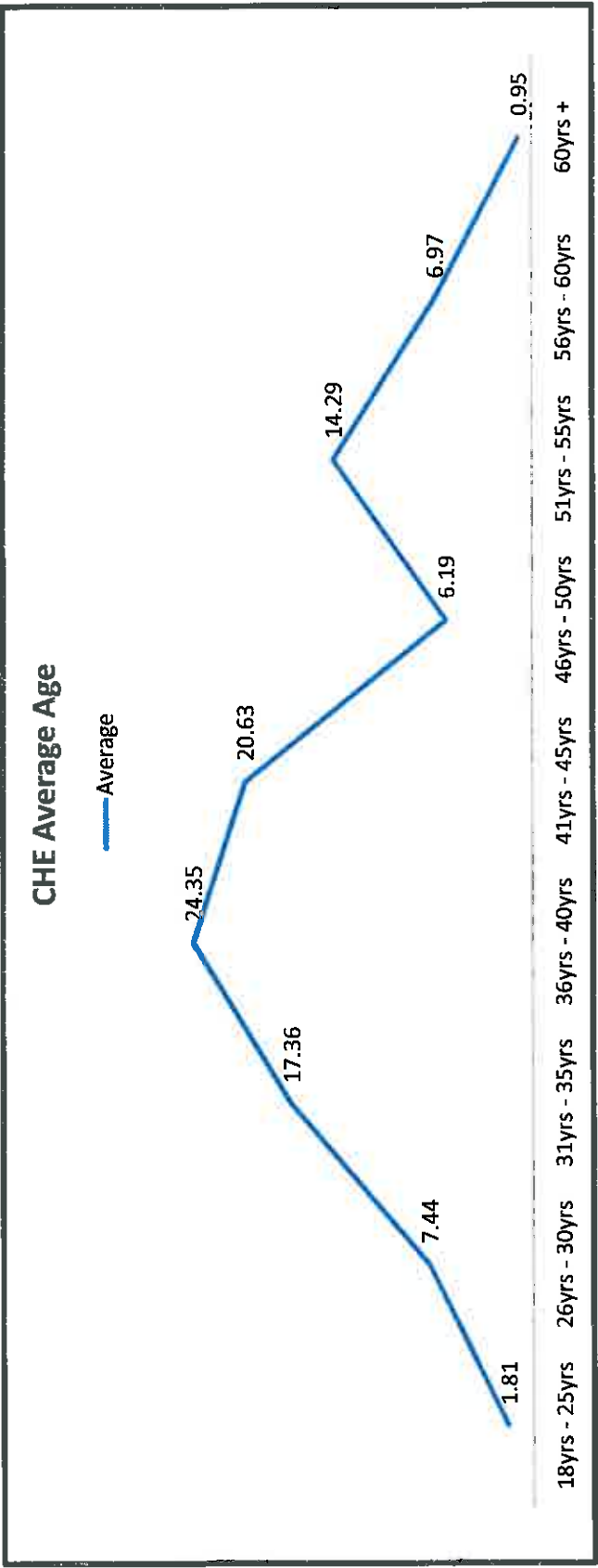
1.1 Age Distribution



Comments:

The histogram indicates the proportion of employees per age category for each of the directorates. The overarching picture for the CHE is that of a middle age workforce, with a significant proportion of employees falling in the 36 to 40 age bracket. Of interest is the comparatively higher proportion of employees in the 18 to 25; 26 to 40 age categories for Programme Accreditation, Administration and Monitoring and Evaluation which suggests early initiatives to address the consequence of an aging workforce. This reflects a need to reconfigure skills and capacity, and subsequently the flexibility to address the risks associated with a skewed age profile.

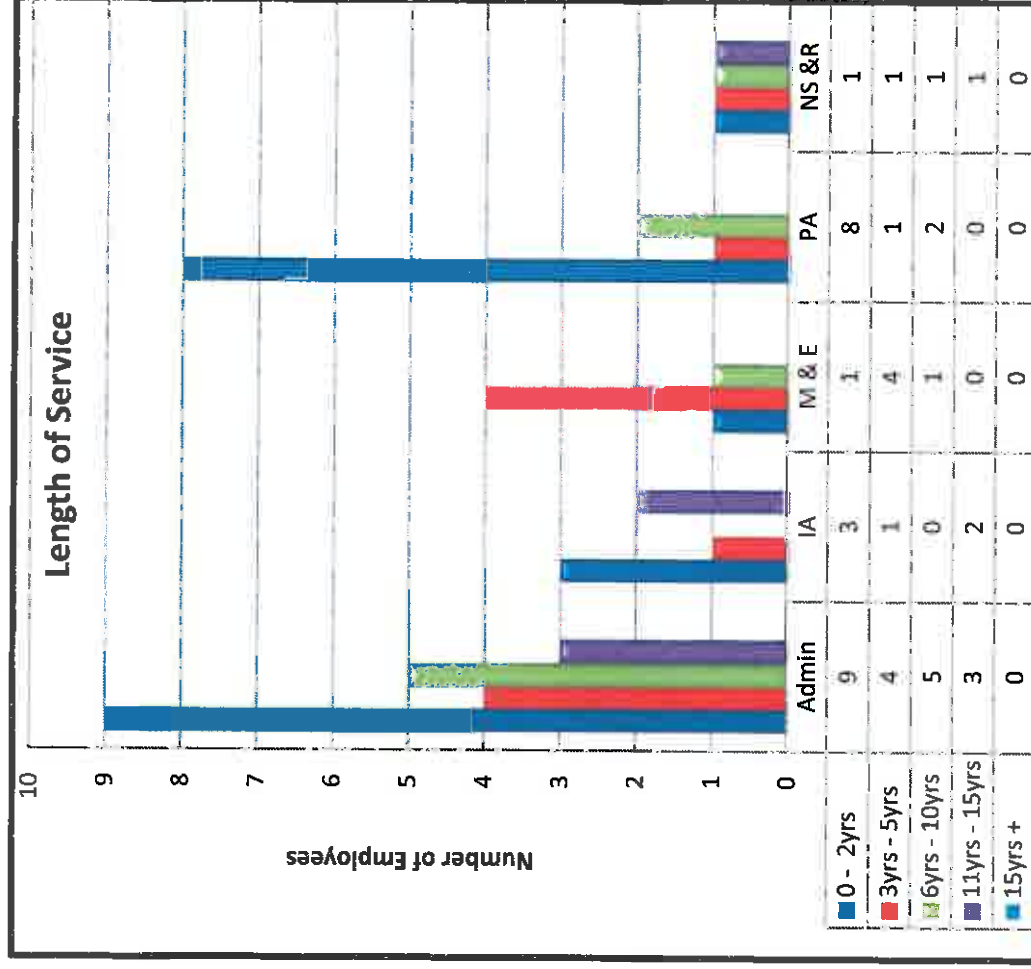
LEGEND	
Admin	Administration
IA	Institutional Audits
M & E	Monitoring and Evaluation
PA	Programme Accreditation
NS & R	National Standard & Review



Comments:

- 1. The average age of CHE employees falls within the **36 to 40** age group, which represents **24.35%** of workforce.
- 2. The average age of Directors is **52.14**, which represents **14.29%** of workforce. This is a high risk in the medium term and there is a need to mitigate this risk by developing talent at Senior Manager level 12 in order to ensure continuity in the long term to mitigate this risk.

1.2. Length of service distribution



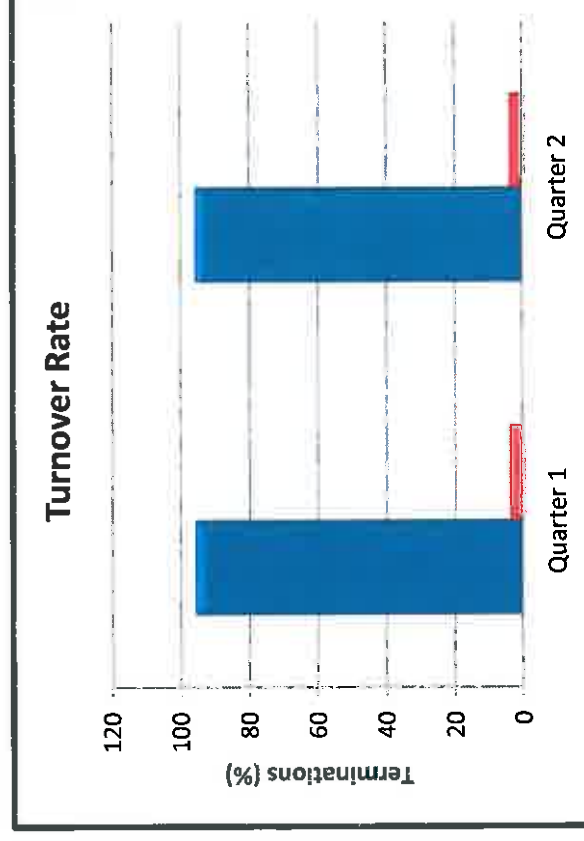
Comments:

The Administration directorate reflects the highest number of employees with less than 24 months service, followed by the Programme Accreditation directorate. This is of concern for the latter directorate considering the nature of work in this directorate and the need to have a thorough understanding of the processes. This is too risky as the incumbents do not have the institutional memory which is critical for this directorate. This will require a number of interventions e.g. Training and Development, Coaching, Job rotation, multiskilling and to ensure the retention of critical skills.

Overall 31.25% employees, organisation wide fall within the 0 – 2 yrs. category.

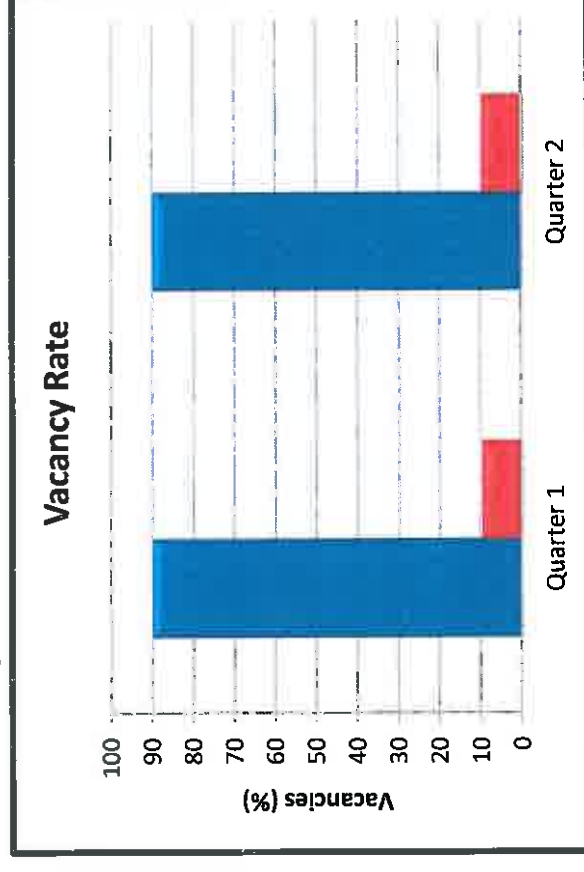
2. Staffing

2.1 Turnover Rate



Turnover for the last two quarters gave been constant at **4%**. Only two employees were terminated in the both quarters.

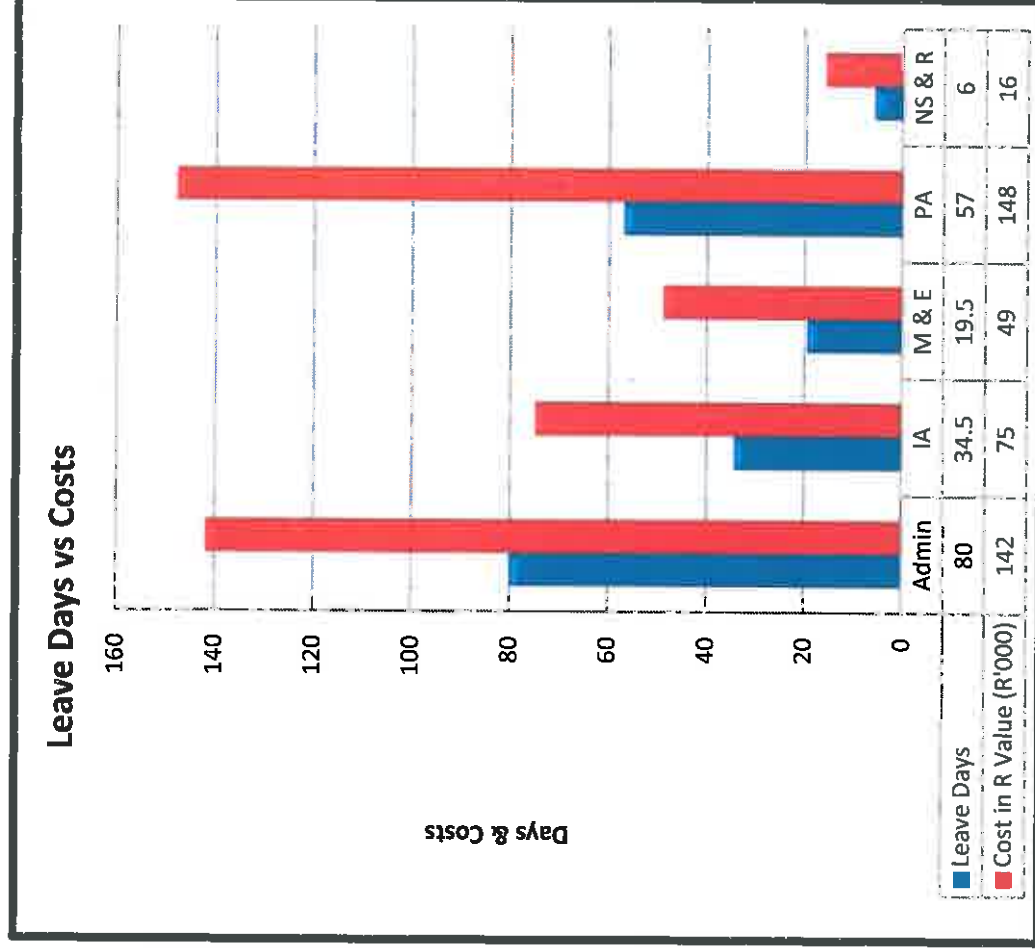
2.2 Vacancy Rate



Vacancy rate for the last two quarters has been constant at **9,8 %**. The CHE staff compliment is 51 positions, 5 of which are vacant.

3. Employee Relations

3.1 Leave



Comments:

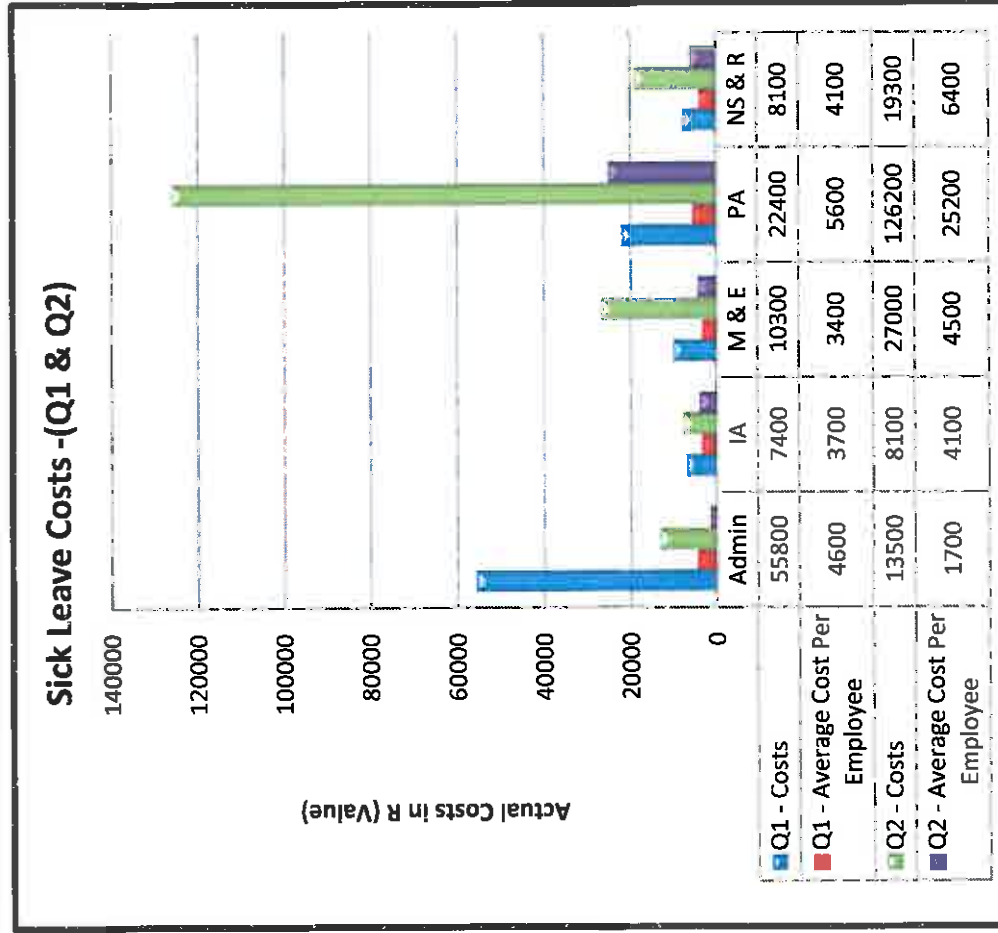
Leave has both a productivity and financial implication in the workplace. This consists of all planned leave, e.g. study, maternity, annual leave etc. Although employees are entitled to leave, it requires stringent planning and management. Failure to manage leave effectively could affect service delivery negatively impacting productivity, quality of work and morale.

Moreover as most leave categories are paid leave, which means even though productivity decreases, labour costs remain the same.

The Administration directorate has the highest number of leave days at 80 during the period under review with a direct cost of R 142 000.00, followed by Programme Accreditation at 57 days and direct costs of R148 000.00. It is imperative to sensitise employees on how this impacts on the directorate's performance and flow of work. Planning is of utmost importance in managing this, for operational requirements.

3.2 Sick Leave / Ill- Health

3.2.1 Sick Leave Costs



Comments:

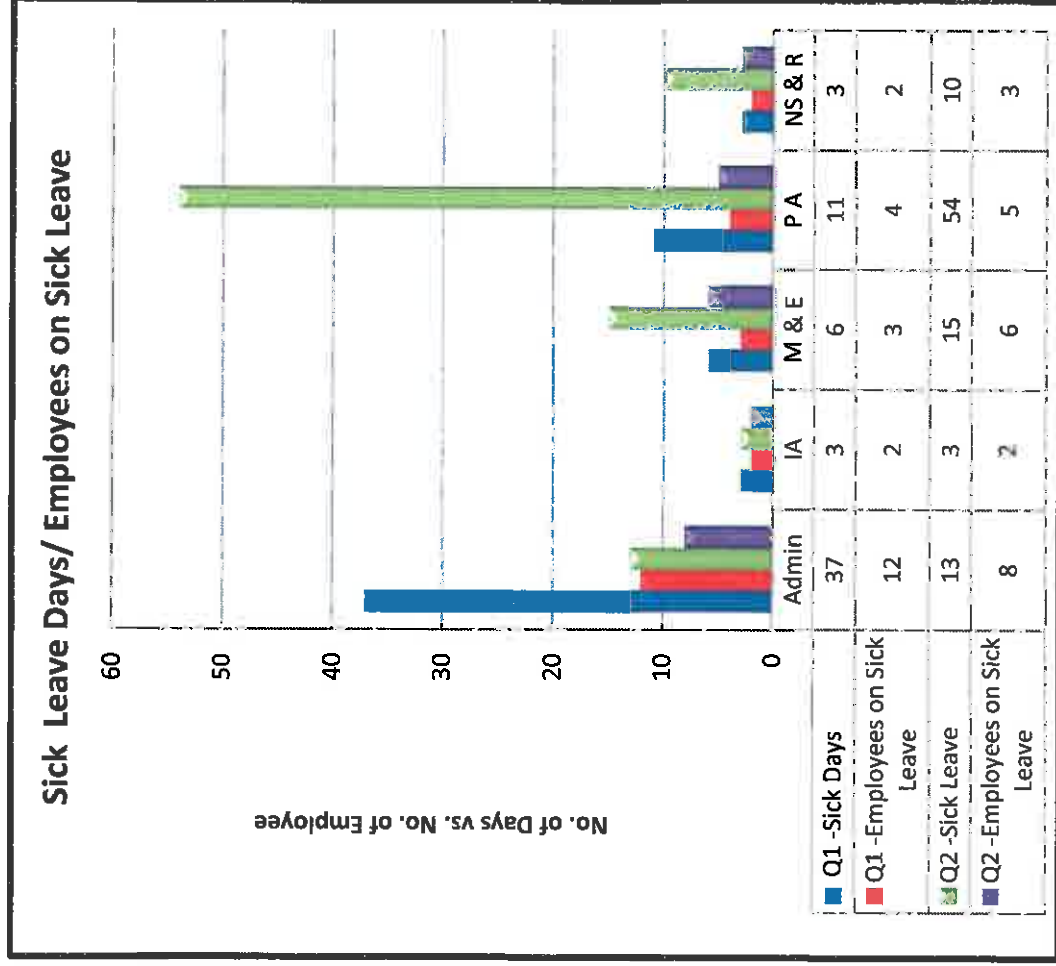
Since the implementation of the Employee Wellness programme there has been a significant reduction in sick leave days taken as well as costs associated with sick leave. This is as a result of a number of initiatives introduced to effectively manage the well being of employee through referrals, coaching and workshops on Stress Management. We have yet to see how this programme impacts on the employee productivity.

During the quarter under review there has been an increase in Sick leave costs, sick leave days and the number of employees off sick. This could be attributed to a number of factors, including the change in weathers patterns, stress and pressure associated with this time of the year.

This unfortunately has a major impact and puts pressure on the remaining staff. This is evident in the Programme Accreditation directorate, (as depicted in the ensuing sick leave costs / days graphs).

This has necessitated in employees performing more than they usually do, which has a direct bearing on stress & poor work performance.

3.2.2 Sick Leave Days/ Employee on Sick Leave



This has further been exacerbated by turnover of staff.

Plans are in place to address this in the short term by revisiting the work flow processes, contracting temporary employees and ensure that all staff are trained adequately in order to perform multiple tasks.

