

2012/13



# ANNUAL REPORT



higher education  
& training

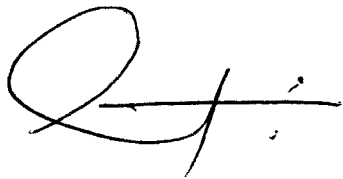
Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

ANNUAL REPORT 2012/13

Dr BE Nzimande, MP Minister of Higher Education and Training.

I have the honour of submitting the Annual Report of the Department of Higher Education and Training for the period 1 April 2012 to 31 March 2013.

A handwritten signature in black ink, appearing to be 'GF Qonde', with a large loop at the start and a horizontal line extending to the right.

Mr GF Qonde

Director-General: Higher Education and Training

31 May 2013



**DR BE NZIMANDE**  
MINISTER:  
HIGHER EDUCATION AND TRAINING



**MR MC MANANA**  
DEPUTY MINISTER:  
HIGHER EDUCATION AND TRAINING



**MR GF QONDE**  
DIRECTOR-GENERAL:  
HIGHER EDUCATION AND TRAINING

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**PART A**  
GENERAL INFORMATION

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## 1. DEPARTMENT'S GENERAL INFORMATION

The Department of Higher Education and Training

### PRETORIA OFFICE

**Postal Address:**

Private Bag X174, Pretoria, 0001

**Physical Address:**

117-123 Francis Baard Street, Pretoria, 0002

**Tel:** 012 312 5911

**Fax:** 012 323 0291

### CAPE TOWN OFFICE

**Postal Address:**

Private Bag X9192, Cape Town, 8000

**Physical Address:**

103 Plein Street, Cape Town, 8001

**Tel:** 021 469 5175

**Fax:** 021 461 4761

### OTHER USEFUL CONTACTS

**Career advice helpline:** 0860 111 673

**Website:** [www.careerhelp.org.za](http://www.careerhelp.org.za)

**National fraud hotline:** 0800 801 801

**Departmental Call Centre** – Toll free: 0800 872 222

**Website:** [www.dhet.gov.za](http://www.dhet.gov.za)



## 2. LIST OF ABBREVIATIONS/ACRONYMS

ABET	Adult Basic Education and Training
ADEA	Association for the Development of Education in Africa
ADTTT	Artisan Development Technical Task Team
AET	Adult Education and Training
AG	Auditor- General
ALCs	Adult Learning Centers
BAS	Basic Accounting System
BNC	Bi-National Commission
CA	Collective Agreement
CAO	Centralised Applications Office
CC	Closed Corporation
CD	Chief Director
CEO	Chief Executive Officer
CEPD	Centre for Education Policy Development
CESM	Classification of Educational Subject Matter
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CEM	Council of Education Ministers
CET	Community Education and Training
CHE	Council of Higher Education

COL	Commonwealth of Learning
COSE	Collaboration for Occupational Skills Excellence
CPIX	Consumer Price Index
CPUT	Cape Peninsula University of Technology
CSIR	Council for Scientific and Industrial Research
CUT	Central University of Technology
DBE	Department of Basic Education
DDG	Deputy Director-General
DG	Director-General
DHET	Department of Higher Education and Training
DIRCO	Department of International Relations and Cooperation
DST	Department of Science and Technology
DTI	Department of Trade and Industry
ECM	Enterprise Content Management
EFA	Education for All
ELRC	Education Labour Relations Council
ENE	Estimate of National Expenditure
ETQA	Education and Training Quality Assurance
EXCO	Executive Council
FET	Further Education and Training
FETMIS	Further Education and Training Management Information System

FMS&G	Financial Management Systems and Guidelines
FETCBU	Further Education and Training Colleges Bargaining Unit
GENFETQA	General and Further Education and Training Quality Assurance
GETC	General Education and Training Certificate
GIS	Geographical Information System
GITO	Government Information Technology Office
GPSSBC	General Public Service Sector Bargaining Council
HE	Higher Education
HEAIDS	Higher Education HIV/Aids Programme
HEDCOM	Heads of Education Departments Committee
HEI	Higher Education Institutions
HEMIS	Higher Education Management Information System
HEQF	Higher Education Qualifications Framework
HESA	Higher Education South Africa
HIV/Aids	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
HRD	Human Resource Development
HRDCSA	Human Resource Development Council of South Africa
HRDSA	Human Resource Development Strategy for South Africa
HRMIS	Human Resource Management Information System
IBSA	India-Brazil-South Africa
ICASS	Internal Continuous Assessment

ICT	Information and Communication Technology
IEC	Independent Electoral Commission
ILO	International Labour Organisation
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
IPAP	Industrial Policy Action Plan
LAN	Local Area Network
MIS	Management Information System
MMM	Minister's Management Meeting
MTSF	Medium Term Strategic Framework
NAMB	National Artisan Moderation Body
NASCA	National Senior Certificate for Adults
NATED	National Accredited Technical Diploma
NC(V)	National Certificate (Vocational)
NGP	New Growth Path
NIPF	National Industrial Policy Framework
NMOS	National Macro Organisation of the State
NQF	National Qualifications Framework
NRF	National Research Foundation
NSA	National Skills Authority
NSDSIII	National Skills Development Strategy III
NSF	National Skills Fund

NSF ALC	National Norms and Standards for funding Adult Learning Centers
NSF DIS	National Skills Fund Disbursement Information System
NSF FET	National Norms and Standards for funding Further Education and Training Colleges
NSFAS	National Student Financial Aid Scheme
ODA	Overseas Development Assistance
OECD	Organisation for Economic Cooperation and Development
OFO	Organising Framework for Occupations
PALCs	Public Adult Learning Centers
PCs	Personal Computers
PEDs	Provincial Education Departments
PERSAL	Personnel Salary System
PIVOTAL Prog.	Professional, Vocational and Technical, as well as Academic Learning Programmes
PME	Performance Management and Evaluation
PQM	Programme Qualification Mix
QCTO	Quality Council for Trades and Occupations
SADC	Southern African Development Community
SAIDE	South African Institute of Distance Education
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SAUS	South African Union of Students
SDA	Skills Development Act (No. 97 of 1998)



SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SITA	State Information Technology Agency
SSP	Sector Skills Plan
SRC	Student Representative Council
SSS	Student Support Services
TVET	Technical and Vocational Education and Training
TWG	Technical Working Group
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VCET	Vocational and Continuing Education and Training
VPN	Virtual Private Network
WAN	Wide Area Network
WITS	Witwatersrand University
WSU	Walter Sisulu University

### 3. STRATEGIC OVERVIEW

#### 3.1 Vision

The vision of the Department is a South Africa in which we have a differentiated and fully inclusive post-school system that allows all South Africans to access and succeed in relevant post-school education and training, in order to fulfil the economic and social goals of participation in an inclusive economy and society.

#### 3.2 Mission

It is the mission of the Department of Higher Education and Training to develop capable, well educated and skilled citizens that are able to compete in a sustainable, diversified and knowledge-intensive international economy, which meets the developmental goals of our country.

The Department will undertake this mission by reducing the skills bottlenecks, especially in priority and scarce skills areas; improving low participation rates in the post-school system; correcting distortions in the shape, size and distribution of access to post-school education and training; and improving the quality and efficiency in the system, its sub-systems and its institutions.

#### 3.3 Value statement

The Department is committed to:

- Distinction and excellence in all our work efforts to develop a skilled and capable workforce for the country
- Honesty, perseverance and commitment in providing differentiated education and training opportunities for all the people of South Africa
- Efficiency of work habits and proficiency of all DHET employees in fulfilling the mandate of the department
- Teamwork, cooperation and solidarity in working with our partners in higher education and training to achieve the shared goals
- Transformation imperatives by addressing social inequality, race, gender, age, geography HIV/Aids and disability issues in all our higher education and training institutions in order to normalise our institutions.

#### 3.4 Strategic outcome orientated goals

3.4.1 Strategic Goal 1: Increase the number of skilled youth by expanding access to education and training for the youth.

3.4.2 Strategic Goal 2: Adequately capacitated individual institutions for effective provision or facilitation of all learning.

- 3.4.3 Strategic Goal 3: Increase the number of students successfully entering the labour market upon completion of training.
- 3.4.4 Strategic Goal 4: Expand research, development and innovation capacity for economic growth and social development.
- 3.4.5 Strategic Goal 5: A college curriculum that is responsive to the demands of the market place and can transform and adapt quickly and effectively to changing skills needs, with a special emphasis on artisan training.
- 3.4.6 Strategic Goal 6: A credible institutional mechanism for skills planning to support an inclusive economic growth path.
- 3.4.7 Strategic Goal 7: A highly effective, professional, efficient administration informed by good corporate governance practices.

## 4. LEGISLATIVE AND OTHER MANDATES

### CONSTITUTIONAL MANDATES

The Department of Higher Education and Training derives its legislative mandate from the supreme law of the Republic, the Constitution, within the purport of section 29, read with Schedule 4, which lists education at all levels, excluding tertiary education as a functional area of concurrent national and provincial legislative competence, whereas section 29 states as follows:

- “(1) Everyone has the right-
- (a) to a basic education, including adult basic education; and
  - (b) to further education, which the state, through reasonable measures, must make progressively available and accessible.
- (2) Everyone has the right to receive education in the official language or languages of their choice in public educational institutions where that education is reasonably practicable. In order to ensure the effective access to, and implementation of, this right, the state must consider all reasonable educational alternatives, including single medium institutions, taking into account-
- (a) equity;
  - (b) practicability; and
  - (c) the need to redress the results of past racially discriminatory laws and practices.
- (3) Everyone has the right to establish and maintain, at their own expense, independent educational institutions that-
- (a) do not discriminate on the basis of race;
  - (b) are registered with the state; and
  - (c) maintain standards that are not inferior to standards at comparable public educational institutions.
- (4) Subsection (3) does not preclude state subsidies for independent educational institutions”.

## LEGISLATIVE MANDATES

LEGISLATION	PRINCIPAL MINISTER	RELEVANT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING
<p><b>Adult Education and Training Act</b> (AET Act) Provides for the establishment of public and private adult learning centres and for the governance of public centers</p>	Minister of Higher Education and Training	Entire Act
<p><b>Further Education and Training Act</b> (FET Act) Provides for the governance and funding of FET Colleges and related matters in providing FET College education</p>	Minister of Higher Education and Training	Entire Act
<p><b>General and Further Education and Training Quality Assurance Act</b> (GENFETQA) – UMALUSI To be the Quality Council for FET Colleges and AET Centres</p>	Whole to Minister of Basic Education – except areas relevant to the Minister of Higher Education and Training	In as far as public and private centres offering AET as per the AET Act, offering Further Education as per the FET Act and section 2(b) & (c), 3,16-21, 23, 26 and 28
<p><b>Higher Education Act (HE Act)</b> Provides for a unified and nationally planned system of higher education and for the statutory Council on Higher Education (CHE)</p>	Minister of Higher Education and Training	Entire Act
<p><b>National Student Financial Aid Scheme Act</b> (NSFAS Act) Provides for the granting of loans and bursaries to eligible students at universities, as well as for the administration of such loans and bursaries</p>	Minister of Higher Education and Training	Entire Act
<p><b>National Qualifications Framework Act</b> (NQF Act) Provides for managing the NQF via level dispensations and related matters, as well as for qualifications and quality assurance of qualifications required on the sub-frameworks of the NQF</p>	Minister of Higher Education and Training	Entire Act
<p><b>Skills Development Levies Act</b> Provides for the imposition of skills development levies and matters related thereto</p>	Minister of Higher Education and Training	Entire Act



LEGISLATION	PRINCIPAL MINISTER	RELEVANT TO THE MINISTER OF HIGHER EDUCATION AND TRAINING
<p><b>Skills Development Act</b> To create the National Skills Agency, establish the Quality Council for Trades and Occupations, regulate apprenticeships and learnerships and matters related to skills development</p>	<p>Minister of Higher Education and Training</p>	<p>Whole except the following to the Minister of Labour: section 2(1) g &amp; h, 2(2)(a)(v), (vi) &amp; (xii), 5(4) (only with respect to the productivity SA), 22(1), 23(1)(a)&amp;(d), (2),(3), 24, 25, 26, 26K, 26L, 26M, 26N, 32(2), 36(o),(p)&amp;(q), item 7 of Schedule 2A &amp; Schedule 4; and Section 32(1), 33 and 36(a) &amp; (s) and any other provision to the extent that these provisions apply to “employment services”, as defined in section 1, or Productivity South Africa, as established by section 26K, but excluding Section 23(1)(b) &amp; (c)</p>

## POLICY MANDATES

Within the context of Higher Education and Training, key policies and legislations were developed and can be summarised as follows:

1. The Higher Education Act (HEA), 1997 (Act No. 101 of 1997), provides for a unified and nationally planned system of higher education. It furthermore provides for a statutory Council on Higher Education, (CHE) which advises the Minister while being responsible for quality assurance and promotion. The Higher Education Act and Education White Paper 3: A programme for the Transformation of Higher Education (1999), formed the basis for the transformation of the higher education sector with implementation being guided by the National Plan for Higher Education (2001).
2. The National Student Financial Aid Scheme (NSFAS) Act, 1999 (Act No. 56 of 1999), provides for the granting of loans and bursaries to eligible students attending public higher educational institutions, as well as for the administration of such loans and bursaries.
3. The Adult Education and Training (AET) Act, 2000 (Act No. 52 of 2000), provides for the establishment of public and private adult learning centers, funding for AET, the governance of public centers, as well as for quality assurance mechanisms for the sector.
4. The Further Education and Training (FET) Colleges Act, 2006 (Act No. 16 of 2006), provides for the regulation of further education and training, the establishment of governance bodies and the funding of public FET Colleges, the registration of private FET Colleges and the promotion of quality in further education and training.
5. The National Qualifications Framework (NQF) Act, 2008 (Act No. 67 of 2008), provides for the National Qualifications Framework, the South African Qualifications Authority and the Quality Councils. The National Qualifications Framework is the principal instrument through which national education and training qualifications are recognised and quality assured.
6. The administration powers and functions originally entrusted to the Minister of Labour by the Skills Development Levies Act and the Skills Development Act, with the exception of provisions dealing with Productivity South Africa and employment services were transferred to the Minister of Higher Education and Training, effective from 1 November 2009, by way of Presidential Proclamation 56 of 2009.
7. The Skills Development Levies Act, 1999 (Act No. 9 of 1999), provides for the imposition of the skills development levy and matters connected therewith.

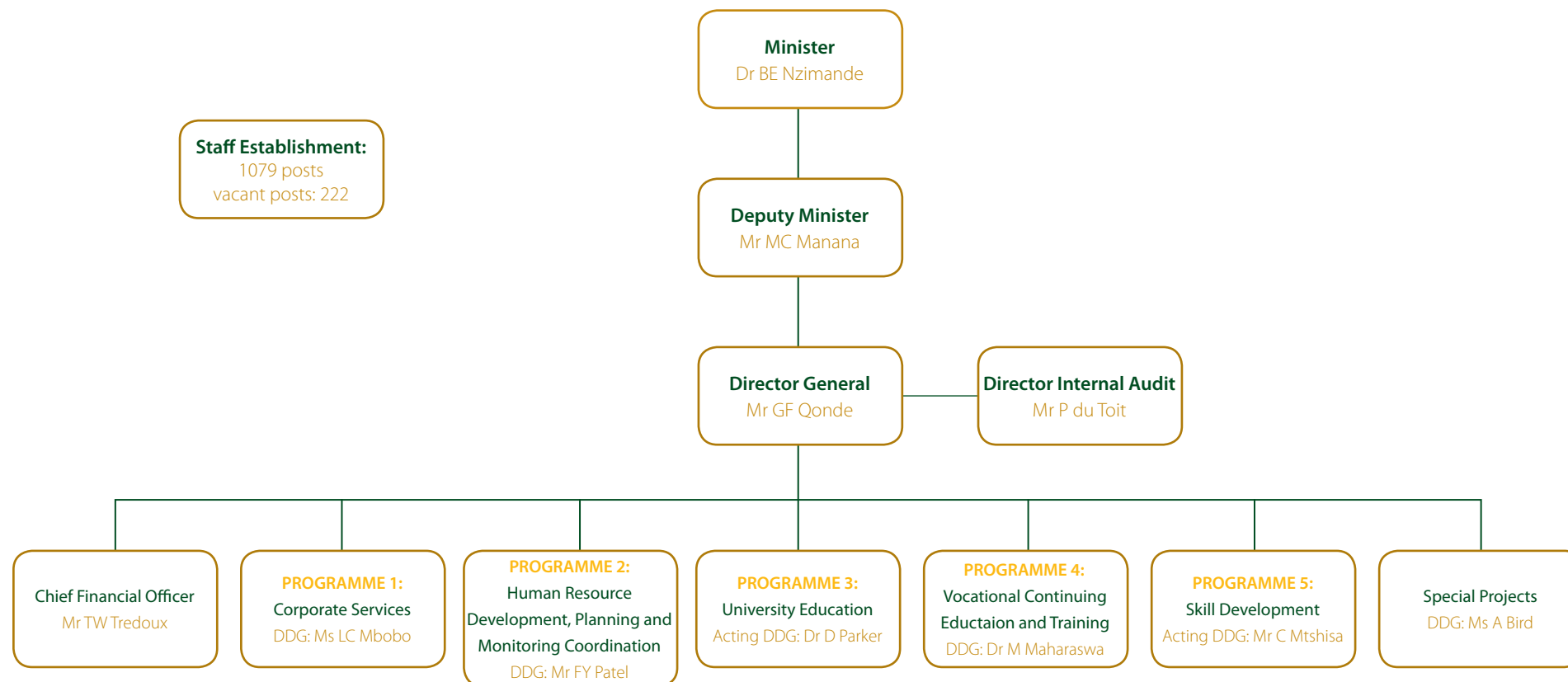
### Shared legislation:

8. The Skills Development Act, 1998 (Act No. 97 of 1998), provides for an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce, to integrate those strategies within the National Skills Framework, to provide for learnerships that lead to the recognition of occupational qualifications; to provide for the financing of skills development by means of a Skills Development Levy and the National Skills Fund.
9. The National Education Policy Act, 1996 (Act No. 27 of 1996), insofar as the administration, powers and functions pertain to the determination of policy for public and private centers offering adult education and training, established as envisaged in the Adult Education and Training Act, 2000; and public and private colleges providing further education as envisaged in the FETC Act, 2006, were transferred to the Minister of Higher Education and Training. The Act was designed to inscribe in law the policies, as well as the legislative and monitoring responsibilities of the Minister of Education and to formalise the relations between national and provincial authorities. It laid the foundation for the establishment of the Council of Education Ministers (CEM), as well as for the Heads of Education Departments Committee (HEDCOM), as inter-governmental forums to collaborate in developing a new education system. As such, it provides for the formulation of national

policies in general and further education and training, for curriculum assessment and language policy as well as quality assurance. The Act embodies the principle of co-operative governance, as elaborated on in Schedule 3 of the Constitution.

10. The Employment of Educators Act, 1998 (Act No. 76 of 1998) insofar as the administration, powers and functions pertain to adult education centers; the South African Council for Educators Act, 2000 (Act No. 31 of 2000) insofar as the administration, powers and functions pertain to the powers and functions of the South African Council for Educators in relation to adult learning centers; the General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001) insofar as the administration, powers and functions pertain to the powers and functions entrusted to Umalusi in relation to public and private centers offering adult education and training as envisaged in the Adult Education and Training Act, 2000; and public and private FET Colleges are legislations that were partially transferred to the Minister of Higher Education and Training.
11. In the interim, the applicable provisions of the National Education Policy Act, the Employment of Educators Act and the South African Council for Educators Act were incorporated in the principal Acts by way of the Higher Education Laws Amendment Act, 2010 (Act No. 26 of 2010) (HELA).

## 5. HIGH LEVEL ORGANISATIONAL STRUCTURE



## 6. ENTITIES REPORTING TO THE MINISTER

The following entities report to the Minister of Higher Education and Training:

NAME OF ENTITY	LEGISLATION	FINANCIAL RELATIONSHIP	NATURE OF BUSINESS
Agriculture Sector Education and Training Authority (AGRISETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors
Banking Sector Education and Training Authority (BANKSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the Banking and Microfinance sector
Construction Sector Education and Training Authority (CETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the construction industry
Council on Higher Education (CHE)	Higher Education Act 101 of 1997	Transfer payments	It advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all Higher Education, monitor the state of higher education system and contribute to the development of higher education through intellectual engagement
Chemical Industries Education and Training Authority (CHIETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the Chemical Industries Sector
Energy and Water Sector Education and Training Authority (EWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the energy and water sector
Education, Training and Development practices (ETDPSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the education, training and development sector
Financial and Accounting Services Sector Education and Training Authority (FASSET)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector
Food and Beverages Sector Education and Training Authority (FOODBEV)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the forestry, furniture, wood, pulp and paper sector
Health and Welfare Sector Education and Training Authority (HWSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the food and beverages sector



NAME OF ENTITY	LEGISLATION	FINANCIAL RELATIONSHIP	NATURE OF BUSINESS
Media, Information and Communication Technologies SETA (MICTS)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector
Insurance Sector Education and Training Authority (INSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the insurance sector
Local Government Sector Education and Training Authority (LGSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the local government sector
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector
Mining Qualifications Authority (MQA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector
National Skills Funds (NSF)	Skills Development Act 97 of 1998	Transfer payments	To fund national skills development priority projects as identified in the National Skills Development Strategy and projects related to achieving the purpose of the Act as determined by the Accounting Authority
National Student Financial Aid Scheme (NSFAS)	NSFAS Act 56 of 1999	Transfer payments	It is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recovering loans, maintaining and analysing a database, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid
Public Services Sector Education and Training Authority (PSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the public service sector
Qualification Council for Trades and Occupations (QCTO)	NQF Act 2008 and Skills Development Act of 2008	Transfer payments Agency services are provided	To develop and quality assure occupational qualifications that are responsive to Labour market and developmental state initiatives
Safety and Security Education and Training Authority (SASSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the safety and security sector

NAME OF ENTITY	LEGISLATION	FINANCIAL RELATIONSHIP	NATURE OF BUSINESS
Services Sector Education and Training Authority (SERVICES SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the services sector
South African Qualifications Authority (SAQA)	SAQA Act 58 of 1995	Transfer payments	SAQA focuses on upholding the principles of the National Qualification Forum, including ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements
Transport Education and Training Authority (TETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the transport sector
Culture, Arts Tourism, Hospitality and Sport Education and Training Authority (CATHSSETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the tourism, hospitality and sport sector
Wholesale and Retail Sector Education and Training Authority (W&R SETA)	Skills Development Act 97 of 1998	Transfer payments	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector
Fibre Processing and Manufacturing Sector Education and Training Authority (FP&MSETA)	Skills Development Act 97 of 1998	Transfer payments	Facilitate, coordinate and monitor the implementation of the NSDS in the Fibre Processing and Manufacturing sector

## 7. FOREWORD BY THE MINISTER

It is a pleasure to present the 2012/13 Annual Report of the Department of Higher Education and Training. This is the third such report and it marks three years of challenges faced and tackled and three years of achievement of which we can be proud.

During the period under review, the Ministry and the Department continued to strive towards expanding education and training opportunities for our people and especially our youth, improving the skills base of the South African workforce, and overcoming inherited inequalities in support of an inclusive growth path. These aims cannot be separated from the need to ensure an effective, efficient, productive and successful institutional base with good governance and without corruption.

The 2012/13 financial year marked the introduction of a pilot project for a Central Application Service. The first phase of this initiative was the implementation of a Central Application Clearing House which resulted in a highly improved registration process of students for the 2013 academic year, especially in the University Sector. Prospective students were guided and received advice on the availability of the different learning opportunities in the post-school education system. We must now ensure that this service continues for future academic years and grows to ensure the establishment of a National Central Application Service. This goes hand-in-hand with the implementation of the *"Apply Now!"* Campaign through which approximately 20 000 learners from rural and township communities were reached through various career exhibitions.

During March 2013, the Department played a critical role at the 5<sup>th</sup> BRICS Summit in Durban. The Department was responsible for organising the BRICS Think Tanks Workshop and the BRICS Academic Forum. To ensure the success of the event, the Department hosted a BRICS mini-conference for South African stakeholders and a BRICS network of Think-Tanks. The declaration on the Establishment of the BRICS Think Tanks Council and a set of recommendations to the BRICS Summit were finalised. A South African Think Tank that will represent our country formally in the BRICS network is currently being established under the Department's leadership.

Following the directives of the National Development Plan to expand post-school education opportunities, a number of important steps have been taken, including, among other things:

The expansion of teacher education through opening a new teacher education campus at Siyabuswa, the site of the former Ndebele College of Education.

Substantive progress to establishing Universities in Mpumalanga and the Northern Cape.

The establishment of a Ministerial Oversight Committee on Transformation in the South African Public Universities sector.

A new three-year university infrastructure funding cycle to support all institutions with specific emphasis on infrastructure backlogs, the maintenance at historically disadvantaged universities and student housing.

The completion of plans to build 12 new Further Education and Training (FET) College campuses in rural areas as well as to substantially refurbish 2 existing campuses.

Important work towards the integration of the post-school system, with increasingly close cooperation and collaboration between the various post-school institutions. This has included building stronger links between the colleges and universities on the one hand and the Sector Education and Training Authorities (SETAs) and the National Skills Fund (NSF) on the other, to the mutual benefit of students and trainees and the entire skills development system.

It remains a key priority to ensure that no academically capable student should be denied access to post-school education or training. Consequently, there has been a vast increase in student financial aid and the success of its recipients is closely monitored to ensure a good return on this investment.

During the 2012/13 financial year, the Department became responsible for the Strategic Planning of the FET Colleges in line with the phased-in approach of shifting the function from the provincial to the national level of government. This strategic move provides more leverage to align service delivery at FET College level with the strategic goals of the post-school education and training system. In addition, the *Policy on the Professional Qualifications for Technical and Vocational Education Lecturers* has been developed and will be published in the first quarter of 2013/14 for implementation by 2015/16.

The Technical Task Team for Artisan and Technician Development reached consensus among the key role players (employers, labour and Government) on the most critical blockages to national artisan development. The Human Resources Development Council endorsed the work of the Task Team and the Department is putting in place policies, systems, processes and resources to remove these blockages. A significant step for artisan development in the country was the Gazetting of the first ever formal and official definitions of an Artisan and a Trade as well as a coded list of 125 occupations that are classified as artisan trades in South Africa. I also declared 2013 as the “*Year of the Artisan*” to advocate the need for young people to consider technical and vocational programmes at FET Colleges, and artisan development in particular, as a career.

New Grant Regulations for the SETAs were published to redirect skills levy funds towards scarce and critical skills in all the sectors. These regulations will be implemented on 1 April 2013. During the year under review, SETAs were directed to deploy resources in areas where their services are needed the most. Subsequently, a number of SETAs have opened offices in FET Colleges, townships and rural communities, a process that will continue.

Although much has been done, there is still a long road to be travelled to ensure that we can drive the system to maximum achievement. We still need to expand access while simultaneously improving quality and student success in the post-school education system. In this endeavour, I wish to acknowledge the hard work of the Deputy Minister, the Director-General, the senior management team and every official in the Department. I thank them all for the past year’s achievements and trust that the foundations they have laid will help us towards even greater achievement in the interest of our country.

I also wish to thank all the staff in my office for the hard work they continue to put into the work done by the Executive Authority. I also wish to acknowledge improved relations and co-operation amongst the various institutions constituting the higher education and training system; for the SETAs, universities, colleges to our quality councils. I would also like to acknowledge the role of labour and employers, especially the National Business Initiative (NBI) for their contribution towards building a coherent post-school education and training system.

I hereby present this Annual Report of the Department of Higher Education and Training to Parliament.

**Together, Turning Every Workplace into a Training Space!**

A handwritten signature in black ink, appearing to read 'Nzimande', written in a cursive style.

Dr BE Nzimande, MP

Minister of Higher Education and Training



## 8. DEPUTY MINISTER'S STATEMENT

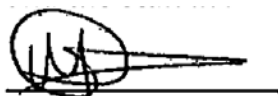
As part of the responsibility of the Department of Higher Education and Training to expand the post-school education and training opportunities for the citizens of our country and especially the youth, a number of key achievements took place over the past financial year.

The implementation of the "Apply Now!" Campaign is one initiative that deserves special mention. This campaign was made possible through key partnerships with the South African Qualifications Authority and the National Student Financial Aid Scheme and included messages through the radio, television and social media. As part of the campaign, 600 000 booklets were printed and distributed to all high schools to inform our 2012 matric learners and other youth of the possible choices for post-school education and training and the importance of applying for a space in the post-school system before the various closing dates.

It was a great moment when the Minister declared 2013 as the "Year of the Artisan". A three-year project has been initiated with the Ekurhuleni East FET College to establish a National Artisan Development Support Centre (NADSC). The NADSC includes information technology and call centre capacity that is being developed and utilised to create a single national artisan database. This should address the current national artisan data blockage identified by the HRDC. The call centre is already in operation and engagements are taking place with employers to facilitate the placement of public FET College engineering graduates in artisan learning programmes. A web site was also developed to serve as platform to communicate with all artisan development role players, in particular employers that are looking for suitable qualified learners to register for artisan learning programmes. The compilation of a DVD for Life Orientation educators on the importance of artisanship marks the beginning of a process that will see the country build a strong skills base and thus respond direct to the National Development Plan.

Our campaign to encourage disabled students to enter into higher education institutions was a resounding success. The process of including special infrastructure and technology as part of the planning requirements of all FET Colleges is well underway. This will make our colleges much more attractive to disabled learners and the current enrolments of disabled students and the institutional support they are getting to complete their studies and enter the workplace successfully is proceeding well.

I wish to thank the Minister for his leadership and commitment towards an improved post-school education and training system. I also wish to thank the Director-General, his senior management team and the staff in my office for the past year's achievements.



**Mr MC Manana, MP**

**Deputy Minister of Higher Education and Training**

## 9. ACCOUNTING OFFICER'S OVERVIEW

The 2012/13 Annual Report is the third Annual Report of the Department of Higher Education and Training. During the past financial year, the Department under the leadership of the Minister and Deputy Minister has continued to improve the provisioning of post-school education and training opportunities, especially for our youth.

A vast number of achievements are covered in the report, which emphasizes the Department's commitment and drive towards achieving its strategic goals and objectives. Substantial effort went into the refinement of the legislation and policy directives to improve the post-school education and training system.

An Education Information Policy was published for public comment to improve the availability of timely and accurate information in the post-school education and training system. The Higher Education Management Information System (HEMIS) was upgraded to enhance reporting on areas such as post-doctoral students. Furthermore, new reporting regulations for universities were developed to improve public accountability.

Through the new Sector Education and Training Authority Grant Regulations, stronger emphasis has been placed on PIVOTAL programmes versus short courses on which SETAs have been spending the majority of their funds and provides for the utilisation of accumulated surpluses by the Sector Education and Training Authorities to be spent on skills training.

An important step towards the function shift of the FET Colleges has been the direct responsibility for the payment of FET College subsidies with effect from 1 April 2013. One of the first interventions in the FET sector was the appointment of Chartered Accountants as Chief Financial Officers at FET Colleges with the assistance of the South African Institute of Chartered Accountants (SAICA). Also in partnership with SAICA, the Department appointed 20 Human Resources Specialists to support clusters of colleges to set up Human Resource systems, procedures and policies to ensure smooth and effective human resource management and development in each FET College.

The *Strengthening Foundation Phase Teacher Education Programme* is in its second year of implementation with significant teacher education staff development, research and programme development taking place. Efforts to improve the quality of teaching and learning in FET Colleges are also being intensified with lecturers having received training on various aspects of teaching and learning as well as on curriculum and assessment.

Significant progress has been made towards the establishment of the two new universities in Mpumalanga and the Northern Cape, which included the identification of the seats of learning as well as academic and infrastructure implementation plans.

I wish to thank the Minister and the Deputy Minister for their political leadership and support in guiding the Department to reach its strategic goals and objectives. The progress achieved would not have been possible if it was not for the dedication of my senior management team and all the staff in the Department. I value and appreciate your dedication and hard work.

I hereby present the Annual Report for the 2012/13 financial year to the Minister and Deputy Minister and invite them to table it in Parliament.

A handwritten signature in black ink, appearing to be 'GF Qonde', with a horizontal line extending to the right and a small flourish at the end.

**Mr GF Qonde**  
**Director-General**  
**Date:**



**PART B**

PERFORMANCE INFORMATION

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## PART B: PERFORMANCE INFORMATION

### 1. ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

#### Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the Department for the financial year ended 31 March 2013.

A handwritten signature in black ink, appearing to be 'GF Qonde', with a horizontal line extending to the right and a small flourish at the end.

**GF Qonde**  
**Accounting Officer**  
31 May 2013

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

#### Introduction

During the financial year ending 31 March 2013, the Department made significant progress towards the achievement of its strategic goals as set out in the 2010/11- 2014/15 Strategic Plan. However, the work that still lies ahead is well-acknowledged and through the 2013/14 Annual Performance Plan the Department will continue to implement its Strategic Plan in an effort to achieve its broader strategic goal of expanding access to and improve success within the post-school education and training system.

#### University Sector

The total student head count enrolment in all 23 universities reached 938 201 in 2011, which includes both full-time and part-time enrolments for contact and distance study. This is a 12% growth in the university enrolments from the baseline of 837 779 in 2009 and a notable increase that is in line with the aim to increase the total enrolments to 1.62 million by 2030 as envisaged by the National Development Plan. Overall the number of university graduates for this period has also increased by 11%. Notably, the number of post graduates increased at a higher rate than the overall graduation rate which is critical because it is on post-graduates that the country depends for our future academics, researchers and other leaders in knowledge-intensive professions. Research Masters graduates increased by 26% from 4 179 in 2009 to 5 281 in 2011 and Doctoral graduates increased by 15% from 1 373 in 2009 to 1 576 in 2011.

Linked to the expansion of the university system is the establishment of the two new universities in Mpumalanga and the Northern Cape. The preparation towards the establishment of these universities commenced in November 2011 and intensified during 2012. A thorough assessment of possible sites against specific criteria has informed the geographical location of the seat for each new institution. All work has been completed to enable the seat of each university, its name, the appointment of the interim Council as well as the site of delivery to be promulgated during the 2013/14 financial year. The identification of an appropriate programme and qualifications mix to be offered and the development of an academic plan for both universities to inform the spatial plan were completed by December 2012. Progress has also been made in separating the Medunsa campus from the University of Limpopo and establishing a new university incorporating that campus. This will be a comprehensive university of health and allied sciences, including veterinarian science and dentistry.

The Minister approved infrastructure projects amounting to R6 billion across all 23 institutions for the 2012/13 – 2014/15 cycle in line with departmental priorities and criteria. Universities committed a further R2 billion in co-funding to ensure the implementation of these projects. A rigorous process of evaluation of proposals and a systemic process for mapping the infrastructure needs of the system was undertaken with a view to establishing a long term planning process for the system to ensure that all institutions are adequately resourced with quality infrastructure to strengthen the higher education system. The focus of allocations is on infrastructure backlogs and improvement at historically disadvantaged institutions, specifically improvements in student housing. However, all institutions have been supported in line with their enrolment planning targets, specifically in scarce skills areas. All institutions have also been supported to undertake disability audits so that university infrastructure

planning can commence to ensure that all institutions become universally accessible over time. Funding has also been put aside to ensure that all institutions develop strong infrastructure project management capability and that proper oversight teams are in place to monitor the system. Furthermore, as part of the oversight and monitoring responsibility of the Department, infrastructure site visits were carried out across all universities.

The Ministerial Committee on the Review of Funding of Universities completed its work and the final draft was submitted to the Minister in December 2012. The report is being edited and prepared for publication in the first quarter of the 2013/14 financial year. A Task Team will model the implications of the recommendations and develop a revised funding framework for approval by the Minister for implementation over the next funding cycle.

The Department has continued to prioritise the strengthening of teacher education and expanded its focus. Teacher education has come to be more broadly defined as Teaching and Learning Development, with the focus being on the development of teachers and teaching for all education sub-sectors, including pre-schooling, schooling and post-schooling. Substantial resources and effort continue to be directed towards increasing school based teacher education enrolments and new initial teacher graduates. This includes increased bursary funding through the Fundza Lushaka Bursary Scheme managed by the Department of Basic Education, additional ring-fenced funding through the National Student Financial Aid Scheme (NSFAS) for initial teacher education, substantial ring-fenced funding for improving teacher education infrastructure at universities and enabling increased enrolments in initial teacher education programmes through appropriately-funded approved university enrolment plans which prioritise teacher education as one of the scarce skill areas. The combination of these actions have resulted in an increase from just under 6 000 new teacher graduates in 2008 to 10 543 in 2011, an increase of just more than 70% in the number of new teachers graduating per annum.

Over the last three years there has been a dedicated focus on strengthening Foundation Phase teacher education through the implementation of a European Union funded programme, as part of the Primary Education Sector Policy Support Programme. R141 million was allocated to research, programme development and material development activities within Foundation Phase teacher education at universities. Tangible quantitative results include the growth in the number of universities involved in Foundation Phase teacher education from a baseline of 13 universities in 2009 to 20 universities this year, with an increase in the number of headcount enrolments in Foundation Phase initial teacher education programmes from 10 073 in 2009 to 14 359 in 2011.

An African languages Advisory panel established in February 2012, is at an advanced stage of its work. The main purpose of this panel is to look into the development of African languages as languages of scholarship at institutions of higher learning in South Africa and make recommendations for the Department in this regard. The panel is expected to submit its report in the next financial year.

The *"Apply Now!"* campaign was launched in 2012 with the aim to create awareness of career options and application procedures to be followed for Post-School Education and Training. The overall intention is to reduce the long queues and some of the chaos that generally take place at most of the universities at the beginning of each year. This campaign reached out to Grade 9 to 12 learners in all of the 6 000 public high schools and 600 000 information booklets were distributed throughout South Africa in 2012.



### **Vocational and Continuing Education and Training**

Annual survey data shows that our message to South Africans that FET Colleges should be institutions of choice is bearing fruit. For the 2012 academic year the Department set itself a target of 550 000 student headcount enrolments in FET Colleges. However, a total of 657 690 was achieved representing an increase of 54% over the preceding year (2011).

In the quest to provide financial support to academically-deserving students from poor households, in 2012 the Department ensured provision of financial assistance through the National Student Financial Aid Scheme (NSFAS) to 188 182 FET College students, which was 7 356 students more than our projection of 180 826 students for that year.

In 2011, close to 3.2 million persons aged 15 to 24 were unemployed, not in education and training (NEET). This figure represents close to 31% of the 15 to 24 year old population. The primary objective of the Department's efforts is to expand access to and improve success in post-school education and training in a focused way for young people in this age group. As early as 2010, the Department realised that the current spatial distribution of the post-school education and training institutions needed to be revisited. Hence, in 2012 the Department committed to establishing 12 new FET College campuses spread in KwaZulu-Natal, Eastern Cape, Limpopo and Mpumalanga. The first student intake in the new campuses will start in 2014.

Further to the announcement of the R2.5 billion for the refurbishment of FET Colleges made by the President in 2012, the funding has been disbursed to FET Colleges. The funds have been allocated to each college to focus on expansion of enrolments, building institutional capacity as well as upgrading of equipment. This investment will assist the FET Colleges to better respond to their expanded mandate.

According to the 2012 provisional examination report, pass rates in Physical Science and Mathematics remain low. A Ministerial Task Team advised on how to develop FET College-based Mathematics Science Foundation Programmes that would lay the foundation for Mathematics and Science to enable young people to take up scarce skills careers such as engineering, architecture and medicine. These recommendations are being piloted.

During the year under review, the Department developed an FET College Turnaround Strategy to build the capacity of FET Colleges to deliver on their mandate. The Strategy is focussed on Management, Governance and Leadership, Financial Management, Human Resource Management, Teaching and Learning as well as Student Support Services. The Department of Higher Education and Training and the South African Institute of Chartered Accountants (SAICA) completed the process of appointing support Chief Financial Officers for each FET College, except for two FET Colleges. Also in partnership with SAICA, the Department appointed a Human Resources Specialist to support FET Colleges to set up Human Resource systems, procedures and policies to ensure smooth and effective human resource management and development in each college.

Parties in the Bargaining Councils have completed five Collective Agreements within the 2012/13 financial year with a view to improve the Conditions of Service of FET College staff. Key to these collective agreements was to ensure that Lecturers and Support Staff get access to benefits and also to ensure that lecturers who have been in the system for more than 12 months are permanently appointed.

## Skills Development and Training

There is significant work that the Department has undertaken since the signing of the National Skills Accord, which commits employers across the country to skills development, including the placement of FET College graduates requiring placement to acquire their Diplomas and Universities of Technology students requiring Work Integrated Learning. The National Skills Accord commits employers to open up spaces for 12 000 placements/internships for students who complete their certificates at FET Colleges. Up until March 2013, there were 4 980 FET College graduates placed, an increase of more than 2 000 when compared to the previous financial year for the same period. Furthermore, the National Skills Accord commits employers to open up 5 000 spaces for Universities of Technology students who need work experience as part of their qualifications. During the year under review 9 981 students were placed.

The Department established a dedicated Unit to deal with Work Integrated Learning Partnerships and Innovation which is continuously engaging with both the private and public sectors. Linked to the campaign of *"turning every workplace into a training space"*, the Department wants to promote and institutionalise Work Integrated Learning, in order to promote efficiency in the education and training system and to address the skills shortage and gaps experienced in the country.

Towards the end of the 2012/13 financial year, the Minister declared 2013 as the *"Year of the Artisan"* to be spearheaded by the Deputy Minister and implemented across all provinces. The programme aims to link public High Schools to public FET Colleges and promote artisan development as a career of choice among young school going learners in each province. The theme of the programme is *"It's cool to be an artisan"* and will further be enhanced and developed through provincial National Artisan Moderation Body (NAMB) offices to be opened at public FET Colleges.

## 2.2 Organisational environment

The Department experienced a relatively high staff turnover rate of 12.81% during 2012/13. Of the 1 079 posts, 857 posts were filled, leaving 222 vacancies. During 2012/13, a total of 186 appointments were made. In the same period a total of 112 staff members left the service for various reasons. The post of Deputy Director-General: Vocational and Continuing Education and Training were filled in this period while the posts of the Deputy Director-General: University Education and of the Deputy Director-General: Skills Development remain vacant as at the end of March 2013. The high number of vacancies, especially in senior positions, inevitably had a negative impact on human capacity and therefore also on implementation and service delivery.

Capacity constraints also impacted on the achievement of certain tasks resulting in some planned activities to be delayed. With regard to certain specialised targets, extra capacity in terms of research work needed to be acquired and contract researchers have been appointed. There is a strong reliance on overtime work at some components in the Department to manage excessive workloads. This is not sustainable over the long term.

The lack of capacity to deal with projects requiring highly skilled expertise such as the development of a Costing Model to cost programmes offered at TVET and CET Colleges impacts on the delivery of certain targets within the Department. The coverage in the area of curriculum improvement and delivery is seriously constrained by the fact that the scope is voluminous and is carried out by a very small unit within the Department.

The organisational structure of the Department was finalised during 2012/13 and implementation thereof will commence during the 2013/14 financial year. Consequently a number of capacity constraints still exist within the Department. The shifting of functions from the Provincial sphere to the National sphere of Government with regard to Further Education and Training as well as Adult Education and Training, is already impacting on the current staffing capacity especially with the management of the recruitment processes for FET Colleges.

An Organisational Culture, Work Ethic and Change Management project commenced within the Department to drive the Department towards innovative thinking, working and behaving in new ways to support and increase the organisational change agility.

Funding in respect of the Examinations and Assessments remains a challenge as this is directly linked to the number of students enrolled. Further to this is the fact that the Examination and Assessment functions is located on the premises of the Department of Basic Education which makes it extremely difficult for the Department to have full control over the security processes key to the national examination function. However, a process of relocating the Examination and Assessment function has commenced.

The regular loss of email and internet at the INDLELA premises due to cable theft, which is out of the control of the Department, has resulted in huge communication problems and resulting in the loss of productivity.

Key strategic decisions are required to ensure that the most critical service delivery areas receive attention and that posts in these areas receive priority. The Department, however, remains committed towards an effective and efficient post-school education sector to fulfil the economic and social goals of participation in an inclusive economy and society.

## **2.3 Key policy developments and legislative changes**

### **2.3.1 Further Education and Training Colleges Amendment Act, 2012 (Act No. 3 of 2012)**

This legislation amends the Further Education and Training Colleges Act, 2006, so as to remove all references to provincial authority; to assign functions previously assigned to the Member of the Executive Council to the Minister; to remove all references to “Head of Department” and replace them with “Director-General”; to regulate the conduct of members of the Council, members of a committee of the Council and staff of a public Further Education and Training College engaging in business with the relevant public college; to provide for transitional arrangements and to provide for matters connected therewith.

Towards the end of the financial year the Minister published a notice in the Government Gazette that gives effect to Sections 11 and 12 of the *Further Education and Training Colleges Amendment Act, 2012* (Act No. 3 of 2012), which effectively transfers the authority over FET College management staff from the Provincial Departments of Education to the Department of Higher Education and Training with effect from 1 April 2013.

### **2.3.2 Higher Education and Training Laws Amendment Act, 2012 (Act No 23 of 2012)**

This legislation aims to amend the Higher Education Act, 1997, so as to provide afresh for the establishment of a national institute for higher education; to extend the functions of a national institute for higher education; to provide for the appointment of an administrator for a national institute for higher education; to provide for the closure of a national institute for higher education; to extend the powers and functions of an independent assessor; to give the Minister the power to intervene in the case of poor or non-performance or maladministration by a public higher education institution; to provide for the dissolution of the council as well as procedure for such dissolution; to extend the powers of an administrator to temporarily take over the management, governance and administration of the council of a public higher education institution; to amend the National Qualifications Framework Act, 2008, so as to change the date on which the annual report of the South African Qualifications Authority must be submitted to the Minister; and to provide for matters connected therewith.

### **2.3.3 Sector Education and Training Authority (SETA) Grant Regulations**

Improved SETA Grant Regulations were introduced during the year under review to usher in a new era of SETA performance. The Regulations came into operation on 1 April 2013 and require SETAs to target funding towards structured workplace learning and experience as part of partnership programmes between education and training institutions and credible providers and employers. The important work on internships and Work Integrated Learning within the post-school education and training system are institutionalised through these Regulations.

### **2.3.3 Development of a White paper on Post-School Education and Training**

The Department finalised the Green Paper on Post-School Education and Training and received public comments during 2012. Following these inputs, the Department initiated the process for the development of a White Paper during the 2012/13 financial year. It is envisaged that the White paper will be finalised during 2013/14.

## **3. STRATEGIC OUTCOME ORIENTATED GOALS**

The primary objective of the mandate of the Department of Higher Education and Training is to expand access to and improve success within the post-school education and training system. In the quest to deliver on this mandate, the Department set itself the following strategic goals for the period 2010/11 to 2014/15:

- Expand access to education and training for the youth
- Capacitate educational institutions for effective provision or facilitation of learning
- Increase the number of students successfully entering the labour market upon completion of training
- Expand research, development and innovation capacity for economic growth and social development

- Ensure a college curriculum that is responsive to the demands of the market place and can transform and adapt quickly and effectively to changing skills needs, with a special emphasis on artisan training
- A credible institutional mechanism for skills planning to support an inclusive economic growth path
- A highly effective, professional and efficient administration informed by good corporate governance practices

#### **Progress on the achievement of Strategic Goals since 2009**

- Student headcount enrolments at universities increased by 12% from 837 779 to 938 201
- First time enrolments at universities increased by 9% from 164 528 to 179 105
- Graduates from universities increased by 11% from 144 810 to 160 626
- Graduates in Engineering Sciences increased by 11% from 8 424 to 9 387
- Graduates in Human Health and Animal Health increased by 10% from 7 341 to 8 070
- Graduates in Natural and Physical Sciences increased by 59% from 3 468 to 5 526
- Research Masters graduates increased by 26% from 4 179 to 5 281
- Initial Teacher Education graduates increased by 67% from 6 315 to 10 543
- Headcount enrolments in FET Colleges increased by 54% from 345 566 in 2010 to 657 690
- 14 961 Graduates received Work Integrated Learning in 2012
- Sub-frameworks of the National Qualifications Frameworks have been determined
- All current qualifications have been allocated to a sub-framework

#### **Outcome 5: “A skilled and capable workforce to support an inclusive growth path”**

The Department of Higher Education and Training is responsible for Outcome 5 of the Government’s Performance Monitoring and Evaluation system.

The service delivery targets for Outcome 5 relate to increasing access to programmes leading to intermediate and high level learning, increasing access to occupationally directed programmes in needed areas (thereby expanding the availability of intermediate level skills with a special focus on artisan skills) and increasing the access to high level occupationally-directed programmes in needed areas.

During the year under review the following particular successes were recorded for the service delivery related aspects of the delivery agreement:

### **Output 5.1: Establishment of a credible institutional mechanism for skills planning**

The target for 2014 is to have an Information Framework, Education Information Policy and Career Advice Framework developed and fully implemented. In this regard, The Education Information Policy has been submitted to the Council on Higher Education and the National Skills Authority to advise the Minister. A Framework for cooperation in the provision of career development services (Information, Advice and Guidance) in South Africa has been published.

In respect to systems interface per dataset, a data audit for the National Artisan Moderation Body and the Further Education and Training Sector has been completed whilst the data audit for Skills Development and the Adult Education and Training Sector has started. The data exchange format for the Further Education and Training Sector will be completed by June 2013.

Work has commenced on the development of an economic model highlighting the imbalance between skills supply and demand as part of the Labour Market Intelligence Project. The National Career Advice Portal with the initial 500 occupations' learning pathways and learning directory of all public universities and FET Colleges programmes on the NQF has been completed and gone live at <http://ncap.careerhelp.org.za>. The system is using the Organising Framework for Occupations (OFO) as the classification standards. The NQF and Career Development Helpline is active and has assisted around 20 000 individuals through telephone, SMS and walk-ins. The Khetha radio programmes are flighted weekly in 10 official languages with a listenership of 1.991 million per week. Over 100 000 people have accessed the CareerHelp website and mobi-site ([www.careerhelp.org.za](http://www.careerhelp.org.za)).

### **Output 5.2: Increase access to programmes leading to intermediate and high level learning**

The Department aims to enroll 300 000 Adult Education and Training (AET) Level 1 to 4 learners by 2014. The number of AET Level 1 to 4 learners enrolled based on the provisional 2012 Snap Survey data is 250 738. In terms of improved NC(V) success rates, a FET College turnaround strategy has been developed and focuses on teaching, learning and curriculum delivery as well as student support, lecturer development and partnerships. The certification rates for 2012 are 43% for Level 2, 43% for Level 3 and 41% for Level 4. 236 470 Students were enrolled in N4 to N6 programmes for 2012, which is on course to achieve the 2014 target of 250 000 students enrolled. The Department is making strides in achieving the objective of providing a range of learning options to meet the demand of those with Matric but do not meet requirements for university degree entrance.

### **Output 5.3: Increase access to occupationally directed programmes in needed areas and thereby expand the availability of intermediate level skills (with a special focus on artisan skills)**

In the year ending 31 March 2013, 14 333 workers were certificated for learnerships' 1 344 workers who received bursaries were certificated and 79 463 workers were certificated in skills programmes. This is a significant achievement towards the 2014 target of completing and certificating 20 000 learnerships, 2 000 bursaries and 80 000 skills programmes.

In 2012, 21 983 unemployed individuals were certificated for learnerships, 1 126 unemployed individuals who received bursaries were certificated, 2 355 unemployed individuals who completed their internships were certificated and 18 683 unemployed individuals were certificated in skills programmes.

The Department revised the national trade testing regulations based on public comments received. The regulations were approved by the National Skills Authority and the Quality Council for Trades and Occupations and will now be gazetted. The national trade test pass rate for 2012 was 44%.

FET Colleges were surveyed on placement of NC(V) and 'N' course graduates. 24 002 NC(V) and 'N' course graduates will require placement in 2012. 9 757 NC(V) and 'N' course graduates have thus far been placed. FET Colleges have been requested to provide the names of graduates that have been placed to verify this figure. Government departments have thus far given commitments to place 6 640 graduates and private sector commitments are at 505 since January 2013.

Sector Education and Training Authorities have been given a graduate placement target of 25 748 for 2013/14. Ongoing discussions with businesses are being held to encourage businesses to open up their workplaces for FET College graduates. The placement target of NC(V) and 'N' course graduates for 2013 is 27 000.

Artisans achieving competence is expected to decline in 2012 and 2013 in comparison to 2011 due to the low intake of artisans during the 2008-2009 economic downturn. Provisional data indicates 8 655 artisan learners have achieved competence in 2012. In respect to the 2014 target of 20 000 learners entering learnerships on NQF Level 5 and above, in the year under review, 23 246 learners entered learnerships on NQF Level 5 and above.

#### **Output 5.4: Access to high level occupationally-directed programmes in needed areas**

*Graduate output in Engineering Sciences:* Infrastructure allocations to universities for 2012/13 to 2014/15 include an allocation of R509 million for Engineering Sciences. The Department has agreed to a partnership with the Engineering Council of South Africa (ECSA) to improve the FET curriculum, make it more relevant to the world of work and facilitate articulation into higher education. It is also agreed that there will be a joint planning task team that will take forward the recommendations drafted in the report emanating from the joint workshop held in 2012. There were 9 387 graduates in Engineering Sciences from universities in 2011.

*Graduate output in Animal and Human Health:* Infrastructure allocations to universities for 2012/13 to 2014/15 include an allocation of R443 million for Health Sciences. A joint workshop was held on 17 November 2012 with the Department of Health which resulted in the drafting of a Terms of Reference for a Joint Health Science Education Committee. The Joint Health Science Education Committee will draft a conceptual framework that is intended to improve and expand the production of graduates in the health professions such as the MBCHB, improve the clinical training platform, academic health complexes and funding envelopes. There were 8 070 graduates in Human Health and Animal Health from universities.

*Graduate output in Natural and Physical Sciences:* Infrastructure allocations to universities for 2012/13 to 2014/15 include an allocation of R547 million for Life and Physical Sciences. The number of graduates in 2011 in the field of Natural and Physical Sciences from universities were 5 526.

*Graduate output in Teacher Education:* Infrastructure allocations to universities for 2012/13 to 2014/15 include an allocation of R662 million for Teacher Education. The number of graduates in Initial Teacher Education from universities in 2011 is 10 543.

#### **Output 5.5: Research development and innovation in human capital for a growing knowledge economy**

The Department implemented new criteria for the use of research development funds and is working in partnership with the Department of Science and Technology and the National Research Foundation to boost the human capacity of the system and is closely monitoring progress. The Department is also supporting post-graduate studies through an allocation to the National Student Financial Aid Scheme to assist with improving the post-graduate output. The number of Research Master Graduates in 2011 was 5 281 and the number of Doctoral Graduates was 1 576.

## **4. PERFORMANCE INFORMATION BY PROGRAMME**

### **Programme 1: Administration**

The **purpose of the programme** is to provide overall management and administration of the department.

There are four budget sub-programmes:

- Ministry
- Department Management
- Corporate Services
- Office Accommodation

#### **Strategic Objectives**

- To improve efficiency by implementing the necessary information technology infrastructure and systems.
- To provide effective and efficient human resource planning and management services.
- Ensure adherence to policies and standards on logistical services.
- To provide effective communication services and events management.
- To ensure a safe and healthy physical environment.
- To prevent fraud and corruption.
- To ensure an efficient and effective system of financial and asset management, governance and controls in the Department and in relation to its public entities.



### Significant achievements during 2012

- Most of the posts were filled within four months during the period under review and the vacancy rate in the Department has been reduced to 11% from 26.67% in 2011.
- The Department's ICT governance maturity level has moved from level 0 in 2011 to level 1 in 2012.
- The Director-General approved the establishment of the editorial board which is expected to have a positive effect on what is published on our website.
- The Department has managed to comply with Senior Management Service PMDS policy and managed poor performance as identified.
- During the period under review the call centre managed to resolve 94% of the calls lodged in the Presidential Hotline applicable to the Department.
- The Organisational Structure was finalised and submitted to the Minister for approval.
- The landlord is renovating the building with improved façade and internal refurbishments in offices and all common areas. The Department's plan to acquire additional accommodation is underway. The preliminary space needs for the new offices were submitted to the Department of Public Works for the allocation of land.
  - An additional building has been identified to accommodate the Examination Services and discussions were held with the Department of Public Works. All the required documents, including a needs and cost analysis, were approved by the Director-General and were submitted to the Department of Public Works to occupy the Ndinaye building.
  - LDM Consultancy was appointed to oversee and facilitate the construction of the new offices for the Department.
  - The land to build new offices for the Department has been identified.
  - A preliminary needs analysis were compiled, approved and submitted to the Department of Public Works.
- The GITO office commenced with the process of enhancing the legacy applications. A decision was made to migrate the legacy applications onto a latest and user-friendly technology such as *Dot Net*. The migration of FoxPro and Magic applications onto the *Dot Net* platform is in progress. This will ensure that any service provider can support these applications if and when the need arises.

### Changes to performance indicators during the year

There were no indicators that were changed during the year.

## Programme performance: Strategic objectives, performance indicators planned targets and actual achievements

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 1: ADMINISTRATION</b>							
<b>(4.1.1.1)</b> To improve efficiency by implementing the necessary information technology infrastructure and systems	ICT governance maturity level 3 achieved	ICT governance maturity level achieved	Maturity level 0	Maturity level 1	Maturity level 1	Target achieved	-
	99% network connectivity uptime	Percentage network connectivity uptime	98%	99.9% network connectivity uptime	100%	Target achieved	-
	IT services available 24 hours, 7 days a week (24/7)	Availability of IT services	8/5	IT services available 24 hours, 7 days a week (24/7)	24/7	Target achieved	-
<b>(4.1.1.2)</b> To provide effective and efficient human resource planning and management services	4 Months to fill a vacancy	Number of months to fill a vacancy	4 Months	4 Months to fill a vacancy	4 Months	Target achieved	-
	Vacancy rate in the Department to be reduced between 5-7%	Percentage vacancy rate in the Department	26.67%	Vacancy rate in the Department to be reduced to 15%	11%	Target achieved	-
	90 Days to resolve disciplinary cases	Number of days to resolve disciplinary cases	120 Days	90 Days to resolve disciplinary cases	148 Days	Target partially achieved: 58 days more to resolve disciplinary cases	Disciplinary cases involves different stakeholders with different needs and requests during the hearing process, resulting in certain delays, The Human Resources Component relies on these stakeholders in order to meet the target of 90 days

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 1: ADMINISTRATION</b>							
	100% compliance with the Human Resource Strategic Planning Framework	Percentage compliance with the Human Resource Strategic Planning Framework	90% compliance	95% compliance	63% compliance	Target partially achieved: The actual achievement is 32% below the target	This target could not be achieved due to severe staff shortages in the strategic areas
	100% compliance with performance management framework	Percentage compliance with performance management framework	Departmental policy on PMDS developed	100% compliance with PMDS policy and poor performance managed	100%	Target achieved	-
<b>(4.1.1.3) Ensure adherence to policies and standards on logistical services</b>	100% compliance to SCM and logistical policies and standards	Percentage compliance to SCM and logistical policies and standards	100%	100% compliance to SCM and logistical policies and standards	Compliance to SCM and Logistical Policies and standards except for the incidents mentioned in the comments	Target not achieved	Investigations are taking place on an incident of irregular expenditure due to the non-compliance with SCM policies and failure not to report all transactions above R100 000 to National Treasury
	30 Days to pay invoices from service providers	Number of days to pay invoices from service providers	40 Days	30 Days to pay invoices from service providers	30 Days except for some exceptions	Target not achieved	Payments later than 30 days are mainly due to incorrect banking details provided by service providers and large transfer payments that were rejected by the system and required reprocessing

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 1: ADMINISTRATION</b>							
<b>(4.1.1.4) To provide effective communication services and events management</b>	Functional DHET website with quarterly newsletters	Functional DHET website with quarterly newsletters	Website functional 365 days per year with 4 quarterly newsletters published	Website available 365 days per year with 4 quarterly newsletters published	Website available 365 days per year with 1 newsletter published	Target partially achieved: Newsletters could not be published for 3 quarters	Newsletter publications were deferred due to a requirement to establish an editorial board. The board has now been established and it is anticipated that future newsletters will be published quarterly
	100% response to queries via call centre	Percentage response to queries via call centre	100%	100% response to queries via call centre	97,3%	Target partially achieved: Below target by 2,7%	<ul style="list-style-type: none"> <li>Poor internal communication</li> <li>Data management not user friendly and none aligned record management accreditation</li> </ul>
	24 Exhibitions and Public Relations events conducted	Number of exhibitions and Public Relations events conducted	8	8	11	Target achieved	-
<b>(4.1.1.5) To ensure a safe and healthy physical environment</b>	100% compliance with Occupational Health and Safety (OHS)	Percentage compliance with Occupational Health and Safety (OHS)	90%	98%	90%	Target partially achieved: Below target by 10%	<ul style="list-style-type: none"> <li>Draft Policy to be submitted and signed by relevant parties involved</li> <li>Delays in obtaining names for OHS representatives</li> </ul>

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 1: ADMINISTRATION</b>							
<b>(4.1.1.6) To prevent fraud and corruption</b>	Fraud and anti-corruption strategy developed and implemented	Fraud and anti-corruption strategy developed and implemented	Fraud and anti-corruption Policy developed and approved	Fraud and anti-corruption Policy implemented  Whistle blowing system developed and implemented	Fraud and anti-corruption Policy implemented  Whistle blowing system developed and implemented	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 1: ADMINISTRATION</b>							
<b>(4.1.1.7) To ensure an efficient and effective system of financial and asset management, governance and controls in the Department and in relation to its public entities</b>	Transfers and payment processed within 5 days	Number of days to process transfers and payments	Within 5 days	Within 5 days	Within 5 days	Target achieved	-
	Approved financial statements	Approved financial statements	Approved financial statements	Approved financial statements	Approved financial statements	Target achieved	-
	100% compliance to PFMA	Percentage compliance to PFMA	100%	100% compliance to PFMA	The majority of PFMA compliance matters have been complied with	Target partially achieved: The Department did not reach the target of 30 days payments	The 30 days payments are addressed under paragraph 4.1.1.3 above. In order to address the matter, a Task Team has been appointed to develop a plan of action that would assist the Department to reach the target
	10 Agreements concluded and projects supported annually	Number of agreements concluded and projects supported	10	10 agreements concluded and projects supported	No new agreements were signed	Target not achieved	Although no new agreements were signed, programmes on existing agreements were supported as the management of partnerships for post-school education is decentralised
	Less than 1% assets lost and / or unauthorised movements	Percentage of assets lost and / or unauthorised movements	Less than 1%	Less than 1%	Less than 1%	Target achieved	-

### Strategy to deal with underperformance

In addition to the comments provided in the above table, the following serves to be noted:

- In dealing with the delayed resolutions of disciplinary cases, the Department intends to provide the chairpersons with a mandate not to allow/grant unnecessary postponements which results from unpreparedness of the parties. The delay for finalisation of disciplinary cases is mainly due to postponements requested by the employee representative which is beyond the control of the Department, as the unit has followed the proper procedure in terms of Resolution 1 of 2003. The Department plans to include the requirement of 90 days in future appointment letters of the Presiding Officers. The unit will also communicate with witnesses to be more available.
- Alignment of client services: The possibility to migrate the examination call centre with the main call centre will be investigated.

### Linking programme performance with budgets

Subprogramme	2012/13			2011/12		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	29 701	29 635	66	30 331	29 918	413
Department Management	30 371	30 241	130	23 884	23 350	534
Corporate Services	92 180	91 883	297	82 163	79 827	2 336
Office Accommodation	19 899	19 896	3	19 310	19 309	1
<b>Total</b>	<b>172 151</b>	<b>171 655</b>	<b>496</b>	<b>155 688</b>	<b>152 404</b>	<b>3 284</b>

## Programme 2: Human Resource Development, Planning and Monitoring Coordination

The **purpose of the programme** is to provide strategic direction in the development, implementation and monitoring of Departmental policies and the Human Resource Development Strategy for South Africa.

There are six budget sub-programmes:

- Programme Management: Human Resource Development, Planning and Monitoring Coordination
- Human Resource Development, Strategic Planning and Coordination
- Planning, Information, Monitoring and Evaluation Coordination
- International Relations
- Legal and Legislative Services
- Social Inclusion in Education

### Strategic Objectives

- Establish and maintain an integrated education and training management information system, linking all providers of education and training into a single system, to provide accurate data on skills supply and demand in the country.
- Establish and maintain a coherent career management and career information system by 2014.
- Promote research and innovation in the Higher Education and Training Sector by publishing an annual academic journal of contributions from stakeholders in the sector annually.
- Manage and maintain credible planning and budgeting process for the Department annually.
- Pursue and strengthen bilateral relations with priority countries in Africa, Middle East, South and the North as well as with multilateral agencies such as COMEDAF, SADC, AU, ADEA, UNESCO, ILO, OECD and the Commonwealth.
- Maintain database of international engagements of all public post-school institutions and publish an annual report on international collaborations.
- Support, advise and monitor the implementation of the post-school education and training system legislative framework annually.
- Establish a well-functioning social inclusion, equity and transformation services within the DHET and its entities.
- Monitor and support the implementation of the National Qualifications Framework Act.

### Significant achievements during 2012

The Department aims to establish and maintain an integrated education and training management information system, linking all providers of post-school education and training into a single system, to provide accurate data on skills supply and demand in the country. For the year ending 31 March 2013, 80% of public institutional data pertaining to Public Further Education and Training (FET), Higher



Education (HE) as well as Adult Education and Training (AET) institutional data was integrated into an education and training management information system. Data for AET, FET and the Higher Education Management Information System for the years 2010, 2011 and 2012 were integrated into a single reporting framework and was published on the Department's SharePoint portal.

Furthermore, an Information Policy which provides the guidelines and the underlying principles for the development of the integrated Higher Education and Training Management Information Systems (HETMIS) to supply both skills provisioning and skills demands side data for the country has been developed. This will form a basis for improving systems for skills planning and shaping the production of skills. The Policy will be published for general notice during the 2013/14 financial year. HETMIS will be comprehensive enough to provide the data that will be required by the Labour Market Information System and to provide source data for the calculation of meaningful supply and demand indicators for the country as a whole. The same data can be used for many education indicators to measure the performance of the education system and for educational planning and resourcing purposes.

To ensure the establishment and maintenance of a coherent career management and career information system by 2014, the National Career Advice Portal (NCAP) has been established and two modules completed (one for learning pathways and the other a learning directory). This is accessible through the websites of the Department and SAQA as well as through directly accessing the NCAP at <http://ncap.careerhelp.org.za>.

National Career Development Services were established through a multi-platform information services and a national helpline. In respect to the number of users reached by career guidance services, career advice was provided through multi-platforms in 2012/13 such as radio (1.991 million per week), exhibitions (34 800), helpline (19 828) and web portal (91 903). The information services include the National Career Advice Portal that already has 500 registered occupations' learning pathways. An additional mobi-site has been developed that gives access to the services through cell phones.

To promote research and innovation in the Higher Education and Training Sector, an annual Research Bulletin has been produced and approved by the Director-General.

The programme is also responsible for the coordination of strategic planning and reporting and ensures a credible planning process for the Department on an annual basis. For the 2012/13 financial year an Annual Performance Plan for 2013/14 was developed with indicators and approved by the Minister. The annual Medium Term Expenditure Framework Bid process was effectively coordinated as well as the production of four quarterly performance progress reports on the implementation of the Strategic Plan.

The Department also pursues and strengthens bilateral relations with priority countries in Africa, Middle East, South and the North as well as with multilateral agencies such as the Africa Union, the United Nations Education, Science and Culture Organisation and the Commonwealth. During 2012, implementation plans were developed for engagement with priority countries and multilateral agencies. The Department hosted an extra-ordinary meeting of SADC Ministers of Higher Education in June 2012. Ministers discussed access, funding and research issues. The policy vision of this meeting will be developed into a regional strategic framework.

The Minister, Deputy Minister and Departmental officials participated in various international events such as the Conference of Ministers of Education of the African Union (COMEDAF V) in Nigeria; the Third UNESCO International Conference on TVET in Shanghai; the Association of Commonwealth Universities Executive Heads Conference in Jamaica and the Southern African Political Economy Series

(SAPES) Trust Policy Dialogue Forum in Zimbabwe. Various official international visits took place, including to Jamaica, Denmark and the United States of America. The Department hosted delegations from South Sudan and Namibia.

92 Masters and Doctoral students were sent to European universities as part of the Erasmus Mundus Scholarship Programme. 22 Students received scholarships from the Chinese Government to study at Chinese universities. Four students received Russian State Scholarships to study marine and aeronautical engineering in Russia.

For the year under review, legal advice was provided to the Minister, the Department, Government and the public on education legislation and law. Litigations concerning the Ministry and the Department were managed and advice was provided on all contracts and agreements. 81 Formal legal opinions and advice were drafted.

Litigation: All necessary actions with the assistance of the State Attorney were managed and administered with regard to litigations against the Minister or the Department. These functions are ongoing and time frames are determined by the individual cases within court rules. All cases were dealt with according to procedures and timeframes set by court rule. A total number of 21 court cases were dealt with.

In the broader objective of establishing well-functioning social inclusion, equity and transformation services within the Department and its entities, a policy document was developed and submitted to the Minister for consideration of tabling it to the Ministerial Oversight Committee on Transformation. A Social Inclusion Policy was developed as mandated by the Strategic Plan. This Policy is crucial for the development of guidelines on key transformation issues such as disability, gender, HIV and Aids, race, class, youth and geography. It will be an instrument to achieve social cohesion and social inclusion in the post-school education and training system and will support the Department in its role of monitoring transformation in the higher education and training sector.

With regard to the provision of support to the implementation of the National Qualifications Framework Act and the monitoring thereof, Ministerial Policy Guidelines as well as Determination of the Sub-Frameworks that comprise the National Qualifications Framework were developed in 2012.

#### **Changes to performance indicators during the year**

There were no indicators that were changed during the year.

## Programme performance: Strategic objectives, performance indicators planned targets and actual achievements

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 2: HUMAN RESOURCE DEVELOPMENT, PLANNING AND MONITORING COORDINATION</b>							
<b>(4.2.1.1)</b> <b>Establish and maintain an integrated education and training management information system, linking all providers of education and training into a single system, to provide accurate data on skills supply and demand in the country</b>	100% of public institutional data integrated into education and training management information system (Public FET and HE institutions and SETAs)	Percentage of public institutional data integrated into education and training management information system	-	80% of public institutional data integrated into education and training management information system (Public FET and HE institutions and SETAs)	80% of public institutional data integrated (Public FET and HE and AET institutional data integrated) into education and training management information system	Target achieved	-
<b>(4.2.1.2)</b> <b>Establish and maintain a coherent career management and career information system by 2014</b>	A coherent career management and information system established (module based)	A coherent career management and information system established (module based)	Tender awarded for development of first phase	A coherent career management and information system established (2 additional modules)	The National Career Advice Portal (NCAP) is established and 2 additional modules are completed (learning pathways and learning directory). It is accessible through the DHET and SAQA websites as well as through direct accessing the NCAP <a href="http://ncap.careerhelp.org.za">http://ncap.careerhelp.org.za</a> .	Target exceeded	An additional interest questionnaire completed

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 2: HUMAN RESOURCE DEVELOPMENT, PLANNING AND MONITORING COORDINATION</b>							
	Total number of users reached by career guidance services, radio, exhibitions, helpline and web portal Radio: 3 million Exhibitions: 30 000 Helpline: 18 000 Web portal: 15 000	Number of users reached by career guidance services	Radio: 2.3 million Exhibitions: 15 000 Helpline: 10 000	Radio: 2.7 million Exhibitions: 25 000 Helpline: 12 000 Web portal: 70 000	Radio: 1.991 million per week Exhibitions: 34 800 Helpline: 19 828 Web portal: 91 903	Targets exceeded	The CAS project provided career advice additional platforms such as Mobi-site: 118 111 users reached
<b>(4.2.1.3) Promote research and innovation in the Higher Education and Training Sector by publishing an annual academic journal of contributions from stakeholders in the sector annually</b>	3 Academic journals published for Higher Education and Training	Number of academic journals published for Higher Education and Training	-	1 Academic journal published for Higher Education and Training	The research bulletin has been approved by the Director-General, but must still be published	Target partially achieved	The research bulletin will be published on the website subject to Ministerial approval and finalisation of the web layout of the bulletin
<b>(4.2.1.4) Manage and maintain credible planning and budgeting process for the DHET annually</b>	Annual DHET Performance Plan developed with performance indicators	Annual DHET Performance Plan developed with performance indicators	Annual DHET Performance Plan developed with performance indicators	Annual DHET Performance Plan developed with performance indicators	Annual DHET Performance Plan developed with performance indicators	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 2: HUMAN RESOURCE DEVELOPMENT, PLANNING AND MONITORING COORDINATION</b>							
	MTEF Bid developed annually	Annual MTEF Bid developed	Annual MTEF Bid developed	Annual MTEF Bid developed	Annual MTEF Bid developed	Target achieved	-
	Quarterly performance progress reports on the implementation of the Strategic Plan and the APP produced	Number of quarterly performance progress reports on the implementation of the Strategic Plan and the APP produced	Quarterly performance progress reports on the implementation of the Strategic Plan and the APP produced	4 Quarterly performance progress reports on the implementation of the Strategic Plan and the APP produced annually	4 Quarterly performance progress reports on the implementation of the Strategic Plan and the APP produced annually	Target achieved	-
	An investment report on education and training	An investment report on education and training	An investment report on education and training	An investment report on education and training	Draft education and training investment report produced	Target partially achieved: Draft education and training investment report has been produced but could not be finalised before the end of March 2013	The report on education and training investment could not be finalised before the end of March 2013 due to capacity constraints within the unit. However, the report will be finalised before the end of the first quarter for 2013/14

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 2: HUMAN RESOURCE DEVELOPMENT, PLANNING AND MONITORING COORDINATION</b>							
<b>(4.2.1.5)</b> <b>Pursue and strengthen bilateral relations with priority countries in Africa, Middle East, South and the North as well as with multilateral agencies such as COMEDAF, SADC, AU, ADEA, NESCO, ILO, OECD and the Commonwealth</b>	International relations operational framework strategy developed and implemented	International relations operational framework strategy developed	-	International relations operational framework strategy developed and approved for implementation	Draft international relations operational framework strategy developed	Target partially achieved: An international relations operational framework strategy has been developed and is being submitted for approval (Strategy awaiting approval)	The delay in finalising the strategy was as a result of undertaking a wider consultative process and soliciting external advice. The final draft is complete and is being submitted to the Director-General for approval
	Implementation plans with priority countries and multilateral agencies developed and implemented	Implementation plans with priority countries and multilateral agencies developed	-	Implementation plans with priority countries and multilateral agencies developed	Implementation plans with priority countries and multilateral agencies developed	Target achieved	-
<b>(4.2.1.6)</b> <b>Maintain database of international engagements of all public post-school institutions and publish an annual report on international collaborations</b>	Publications on International cooperation produced annually	A publication on International cooperation produced	-	A publication on International cooperation produced	A publication on international cooperation produced	Target achieved	-
	Database of international engagements of all public post-school institutions maintained	Database of international engagements of all public post-school institutions maintained	-	Database of international engagements of all public post-school institutions maintained	Database of international engagements of all public post-school institutions maintained	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 2: HUMAN RESOURCE DEVELOPMENT, PLANNING AND MONITORING COORDINATION</b>							
<b>(4.2.1.7)</b> <b>Support, advise and monitor the implementation of the post-school education system legislative framework annually</b>	100% of litigations dealt with	Percentage of litigations dealt with	100%	100% of litigations dealt with	100% of litigations dealt with	Target achieved	-
	100% legislation and regulations drafted and amended	Percentage of legislation and regulations drafted and amended	100%	100% of legislation and regulations drafted and amended	100% of legislation and regulations drafted and amended	Target achieved	-
	100% of legal opinions and agreements drafted	Percentage of legal opinions and agreements drafted	100%	100% of legal opinions and agreements drafted	100% of legal opinions and agreements drafted	Target achieved	-
<b>(4.2.1.8)</b> <b>Establish a well functioning social inclusion, equity and transformation services within the DHET and its entities that will focus on policy research, monitoring and evaluation in matters relating to race, class, gender, age, disability, HIV/ Aids and on career information services and counseling</b>	A policy document developed	A policy document developed	-	A policy document developed	A policy document was developed and submitted to the Minister and the Oversight Committee on Transformation	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 2: HUMAN RESOURCE DEVELOPMENT, PLANNING AND MONITORING COORDINATION</b>							
<b>(4.2.1.9) Monitor and support actions needed to implement the statutory functions assigned to the Minister, Director-General, SAQA, CHE, Umalusi and QCTO in terms of the National Qualifications Act</b>	A monitoring and evaluation report compiled annually	Number of monitoring and evaluation reports	-	A monitoring and evaluation report	Monitoring report developed	Target achieved	-
	Ministerial policy guidelines developed annually	Annual Ministerial policy guidelines developed	Annual Ministerial policy guidelines developed	Ministerial policy guideline developed	Ministerial policy guideline was developed	Target achieved	-
	100% advice request from Minister and SAQA answered	Percentage of requests for advice from Minister and SAQA answered	100%	100%	100%	Target achieved	-

#### Strategy to deal with underperformance

In order to facilitate the promotion of research and innovation in the Higher Education and Training Sector the approved research bulletin will be published on the website as soon as Ministerial approval is received. It is envisaged that this will be finalised in the first quarter of the next financial year. The report on education and training investment that could not be finalised before the end of March 2013 will also be finalised before the end of the first quarter for 2013/14. In order to mitigate the capacity constraints in this respect, the post of the Director to lead the Department's economic analysis function and related publications has been advertised and will be filled soon.



## Linking programme performance with budgets

Subprogramme	2012/13			2011/12		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Human Resource Development, Planning and Monitoring Coordination	4 067	4 024	43	3 041	2 970	71
Human Resource Development, Strategic Planning and Coordination	9 247	9 127	120	10 063	10 030	33
Planning, Information, Monitoring and Evaluation Coordination	6 630	6 511	119	5 147	4 854	293
International Relations	10 954	10 852	102	10 045	9 920	125
Legal and Legislative Services	7 174	7 142	32	6 950	6 837	113
Social Inclusion in Higher Education and Training	5 173	5 173	-	3 488	3 463	25
<b>Total</b>	<b>43 245</b>	<b>42 829</b>	<b>416</b>	<b>38 734</b>	<b>38 074</b>	<b>660</b>

### Programme 3: University Education

The **purpose of the programme** is to develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Provide financial support to universities, the National Student Financial Aid Scheme and the National Institutes for Higher Education.

There are six budget sub-programmes:

- Programme Management: University Education
- University - Academic Planning and Management Support
- University - Financial Planning and Information Systems
- University - Policy and Development
- Teacher Education
- University Subsidies

#### Strategic Objectives for the programme

- Expand the Higher Education sector in order to increase equitable access with success.
- Improve success rates in Higher Education studies at public institutions and therefore increase graduate outputs by 2014.
- Monitor good governance and management of the Higher Education system in order to build capacity and efficiency.
- To develop and enhance the research capacity and productivity of universities.
- To maintain and enhance the Higher Education Management Information System (HEMIS).

#### Significant achievements of the programme during 2012:

Considerable progress has been made with regard to the establishment of the two new universities planned for Mpumalanga and the Northern Cape provinces that will enable the Minister to gazette the new institutions as juristic entities in the first quarter of 2013/14.

Key achievements in this respect include:

- An inspirational development framework for the new universities, published in a Government Gazette, that has garnered broad public support and the committed partnership of several other universities.
- Selection of sites for the seats of the new universities in both Nelspruit and Kimberley following a rigorous assessment and selection process.

- The commitment of land for each institution enabling the land assembly process to progress to a point that will enable the promulgation of the universities as legal entities.
- A spatial planning and academic framework for each institution has been developed.
- A full feasibility study for each university (infrastructure and operations) was completed which resulted in the allocation of more than R2 billion over the 2013 MTEF period for both capital and operational expenditure.
- The establishment of partnerships with several universities for academic programme development and implementation.
- A full implementation plan based on a developmental growth model that will result in new universities that will be viable and sustainable into the future.
- Stakeholder consultation on the vision, naming of the Universities and nomination of the Interim Councils and on-going consultation with potentially affected parties in terms of the Promotion of Administrative Justice Act.
- Developing momentum that will enable a 2014 academic start up in a limited number of academic programmes and construction start up in the third quarter of 2013/14.

The Minister of Higher Education and Training and the Minister of Health appointed a Joint Technical Task Team to provide advice on the establishment of a new Health and Allied Sciences university that would incorporate the Medunsa campus of the University of Limpopo (UL). A road map outlining the sequence for the process of unbundling the Medunsa campus from UL is in place. A legal framework for the separation of the Medunsa campus from the UL in accordance with the Higher Education Act has been developed. Research that will form the basis for an academic model suitable for the new university and the feasibility study for the proposed new university is well on its way and is expected to be finalised in the first quarter of the 2013/14 financial year.

Draft reporting regulations for public higher education institutions were finalised after extensive consultation and were published in the Government Gazette for public comment on 29 November 2012. Comments from interested organisations and parties have been received and analysed. The final regulations will be published during the 2013/14 financial year.

The comments on the draft Policy Framework for Distance Provisioning by Universities published for public comment in 2011 have been received and analysed. A final policy document has been drafted for the Minister's approval for publishing in the Government Gazette.

The Foundation Provisioning Policy was reviewed and a revised policy for the 2013/14 submissions was approved and communicated to all institutions. Institutions submitted proposals for new programmes in line with the revised policy. These were evaluated and 312 programmes were approved for funding from 2013/14.

A series of discussions were held with selected statutory professional bodies. The purpose of these engagements was to develop processes to ensure that blockages in the production of professionals are dealt with systemically, to ensure effective enrolment planning linked to demand for specific high level skills, to understand possibilities for work integrated learning and placement that will lead to effective registration after completing a qualification and to issues of importance related to accreditation.

The Ministerial Statement on Funding of Universities for 2013/14 and 2014/15 and budget allocations for 2013/14 to universities were finalised in December 2012 and the universities were notified accordingly.

Following the publication of the Ministerial Committee Report on Student Housing, a consultative workshop was held to engage all institutions on its recommendations. A draft *Policy on Student Housing and Minimum Norms and Standards Applicable* was finalised for publication in the Government Gazette. A final policy document will be developed and published after public comments have been received and analysed.

New guidelines and criteria for proposals from institutions for Research Development and Teaching Development grants were approved and implemented. This will ensure better monitoring of the use of these funds across the system in the future. Institutions were required to submit proposals in line with the criteria in order to access the funds. Proposals were evaluated and funds committed and transferred for approved projects. This will ensure that these funds are more effectively utilised to improve the quality of university education in terms of developing the research and teaching capabilities of instructional staff and ensuring that they gain relevant post graduate qualifications and more effectively support student learning.

A new version of the Valpac software for the Higher Education Information Management System (HEMIS) was released to all universities in November for implementation. This will enhance the HEMIS system and enable reporting on: post-doctoral student enrolments and graduations; foundation students; a disaggregated view of student data on a campus by campus basis; and GPS co-ordinates of university campuses.

The *Apply Now!* Campaign was implemented and directly reached approximately 20 000 learners from rural and township communities across all nine provinces, through various outreach programmes including career exhibition Expos. In partnership with SAQA, NSFAS and the Department of Basic Education (DBE), the campaign also included radio, TV and social media messages and the publication and distribution of 600 000 booklets to all high schools across the country. The campaign was aimed at informing 2012 matriculants and other youth of the possible choices for post-school education and training and the importance of applying for a space in the post-school system before the various closing dates.

In terms of research development, universities increased their overall average research output per capita to 1.25 units (i.e. per annum per permanently employed academic/research staff). A revised policy on procedures and measurements of research outputs, aimed at further improving research outputs from the system, were published in a Government Gazette for public comment. Once comments are received from institutions and interested persons, they will be analysed and the final policy published for implementation.

The BRICS Think Tanks Workshop and Academic forum was successfully organised in March 2013 as preludes to the 5<sup>th</sup> BRICS Summit hosted by South Africa. The *Declaration on the Establishment of the BRICS Think Tanks Council* was finalised and signed by representatives of all the BRICS Think Tanks and was presented to the leaders of the BRICS countries at the Summit held in Durban. It was the first deliverable achieved for the Summit. A document "*Recommendations to the 5<sup>th</sup> BRICS Summit, Durban, South Africa*" was also finalised and agreed upon as a product of the BRICS Academic Forum. The Human Sciences Research Council (HSRC) was appointed to incubate the South African BRICS Think Tank in 2013 and to carry out work related to South Africa's hosting of the BRICS in 2013/14. A task team will be established in the first quarter of 2013/14 to develop a model and make recommendations to the Minister on the establishment of a permanent BRICS Think Tank for South Africa.

A workshop with university Council members appointed by the Minister was successfully carried out. It was aimed at providing training to the appointees in order to assist them with governance of higher education institutions.

The Ministerial Working Group on Fee-Free University Education completed its report. The Minister has indicated that he supports the recommendations and has requested that a 2014 MTEF Bid be prepared to enable its implementation.

A Ministerial Panel on the Development of African Languages was established and commenced its work. It is expected to submit its report during 2013.

The implementation of the *Integrated Strategic Planning Framework for Teacher Education and Development in South Africa (2011-2025)* is gaining momentum. The Provincial Teacher Education and Development Committees have been established in seven provinces, and two more will be established in the first quarter of the next financial year. The National Teacher Education and Development Committee has also been formally established and has started its work. The work of these committees will enable a coherent and coordinated system for teacher education and development to be established and enable streamlined implementation of the planning framework. A new Teacher Education Campus at Siyabuswa in Mpumalanga was opened, that will become part of the new university of Mpumalanga in 2014. Expansion of teacher education to at least three other campuses is being planned – one in each of the Eastern Cape, Limpopo and KwaZulu-Natal Provinces.

A successful National Teacher Education conference to inform and support the development of new teacher education qualifications in line with the Policy on Minimum Requirements for Teacher Education Qualifications (2011) was organised through a partnership between the Council on Higher Education, the Higher Education South Africa Education Dean's Forum and the University of Pretoria. Approximately 80 high quality papers focused on teacher education research were presented.

The Strengthening Foundation Phase Teacher Education Programme continues to be rolled out effectively. Some of the achievements thus far include:

- The number of universities involved in Foundation Phase Teacher Education has grown from 13 in 2009 to 20 universities in 2012.
- The headcount enrolments in initial teacher education Foundation Phase programmes has grown from 10 073 students in 2009 to 12 468 in 2011, a 27% increase.
- 33 Journal articles have been published in peer-reviewed journals.
- The programme is supporting the seed employment of 24 new childhood education academics at universities.
- Scholarship support has been provided for four Honours students, 34 Masters in Education students and 39 PhD students.
- The programme supported a week long seminar in 2012 at Rhodes University: the Childhood Education Research and Development School with a focus on numeracy education. This brought together a network of South African and international foundation phase teacher educators and early childhood development academics and practitioners.

A Draft Policy on Professional Qualifications for Technical and Vocational Education Lecturers was published for public comment. Comments were received and analysed and the final policy was prepared for publication in the Government Gazette. It is expected that the Policy will be published in the first quarter of 2013/14 for implementation by 2015/16. A working group has been established to develop a policy on professional qualifications for educators in adult education and training. The group has had three workshops and a draft policy has been formulated which the working group has agreed can be published for public comment.

### Changes to performance indicators during the year

There were no indicators that were changed during the year.

### Programme performance: Strategic objectives, performance indicators planned targets and actual achievements

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
<b>(4.3.1.1) Expand the higher education sector in order to increase equitable access with success</b>	961 932 Students enrolled in higher education studies at universities by the outer year	Number of students enrolled in higher education studies at universities	886 033	909 716 Students enrolled in higher education studies at universities	938 201 Students enrolled in higher education studies at universities	Target exceeded: 28 485 more students enrolled than the target	Enrolment planning is undertaken with institutions on the basis of projections based on earlier trends
	Total headcount enrolment over population 20 to 24 years to reach 18.1% by the outer year	Total headcount enrolment over population 20 to 24 years	17.8	17.9	17.9	Target achieved	-
	189 081 First time enrolments at universities by the outer year	Number of first time enrolments at universities	175 072	179 793 First time enrolments at universities	179 105 First time enrolments at universities	Target partially achieved: 688 less students enrolled	Enrolment planning is undertaken with institutions on the basis of projections based on earlier trends. Exact meeting of targets is unlikely

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	2 Public Higher Education Institutions established	Environmental impact study conducted		Environmental impact study conducted	Preparations for environmental impact study completed, applications submitted and studies underway. Full studies on all land parcels not complete	Target not achieved: Environmental impact study not yet complete	The process for undertaking the environmental impact studies on parts of the identified land which are green fields will be at least 18 months
		Gazetting of Seat and Interim Council for each university		Gazetting of Seat and Interim Council for each university	Nominations for Interim Councils received and recommendations made; All processes in terms of the Promotion of Administrative Justice Act (PAJA) complete; Draft Gazettes prepared for Minister's signature.	Target not achieved: Gazettes not yet published	There was a delay in land assembly (commitment from all owners to make the land available) and the requirements of PAJA requiring extensive consultation took longer than expected. As a result, the Gazette was not published during the financial year. Plans are that it will be published in the first quarter of 2013/14
		Programme Qualification Framework for each university		Programme Qualification Framework for each university	Programme Qualification Framework has been developed for each university	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
		Spatial plan for each university		Spatial plan for each university	Initial spatial plans for each university developed	Target achieved	-
	21 Public Higher Education Institutions involved in foundation phase teacher education	Number of Public Higher Education Institutions involved in foundation phase teacher education	18	20 Public Higher Education Institutions involved in foundation phase teacher education	20 Public Universities are now involved in Foundation Phase teacher education	Target achieved	14 Institutions are currently offering Foundation Phase teacher education programmes, and the remaining 6 are at varying stages in the preparation to offer these programmes
	A policy document on FET lecturer qualifications developed and universities supported to develop programmes in line with the policy	A policy document on FET lecturer qualifications is developed and implemented	A draft policy is published for public comment	A finalised policy on FET lecturer qualifications gazetted	The final draft is complete and was submitted to the CHE for comments as required by the Higher Education Act	Target partially achieved: Final policy not published in the Gazette	The public comment process took longer than estimated. The gazette will be finalised as soon as comments are received from the CHE. The gazette will be published as soon as the Minister approved it
	626 836 African students at universities by the outer year	Number of African students at universities	578 908	593 260 African students at universities	640 443 African students at universities	Target exceeded: 14 352 more students enrolled than the target	Enrolment planning is undertaken with institutions on the basis of projections based on earlier trends. Exact meeting of targets is unlikely



STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	587 176 Female students at universities	Number of female students at universities	518 092	593 596 Female students at universities	542 997 Female students at universities	Target partially achieved: 50 599 less female students enrolled than the target	Enrolment planning is undertaken with institutions on the basis of projections based on earlier trends. Exact meeting of targets is unlikely. While the validated data is 8.5% below the target for the number of female students, the overall enrolment is above target
	15 800 Students in foundation provisioning programmes at universities by the outer year	Total number of students in foundation provisioning programmes at universities	14 100	14 600 Students in foundation provisioning programmes at universities	14 359 Students in foundation provisioning programmes at universities	Target partially achieved: 214 less students enrolled than the target	Enrolment planning is undertaken with institutions on the basis of projections based on earlier trends. Exact meeting of targets is unlikely. The validated data is 1.7% below target
<b>(4.3.1.2) Improve success rates in higher education studies at public institutions and therefore increase graduate outputs by 2014</b>	Improved use of foundation provisioning funds and report produced	Improved use of foundation provisioning funds and report produced	-	Improved use of foundation provisioning funds and report produced	Analysis of current use of funding done and report produced	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	78% success rate	Percentage success rate	74%	76% success rate	75% success rate	Target partially achieved: 1% below target	While the success rate has improved it has not met the target set. A number of projects supported by the teaching development grant have been implemented to ensure an improved success rate going forward
	537 357 Graduates from universities	Number of graduates from universities	159 115	167 807 Graduates from universities	160 626 Graduates from universities	Target partially achieved: 7 181 less graduates than the target	Targets are based on projections from earlier trends. Validated data is 4.3% below target

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	36 929 Graduates in Engineering Sciences from universities	Number of graduates in Engineering Sciences from universities	10 093	10 682 Graduates in Engineering Sciences from universities	9 387 Graduates in Engineering Sciences from universities	Target partially achieved: 1 295 less graduates than the target	The targets are based on the national enrolment planning data. Through this process universities project their growth on earlier trends. In 2009 the Department negotiated with institutions to increase their targets in Engineering sciences mid-stream to assist with meeting the Minister's PME targets. Institutions have agreed to work towards increased targets to assist

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	32 541 Graduates in Human Health and Animal Health from universities	Number of graduates in Human Health and Animal Health from universities	8 095	8 535 Graduates in Human Health and Animal Health from universities	8 070 Graduates in Human Health and Animal Health from universities	Target partially achieved: 465 less graduates than the target	Although the data reflects a deviation of 5.4% below target, the Classification of Education Subject Matter (CESM) categories for HEMIS reporting were changed. As a result, some programmes previously classified as Health Programmes were reclassified as natural and physical sciences programmes
	18 439 Graduates in Natural and Physical Sciences from universities	Number of graduates in Natural and Physical Sciences from universities	4 683	5 052 Graduates in Natural and Physical Sciences from universities	5 526 Graduates in Natural and Physical Sciences from universities	Target exceeded: 474 more graduates than the target	9.4% above target. This may be the result of the implementation of a change in the CESM categories for HEMIS reporting; some programmes previously classified as Health Programmes were reclassified as Natural and Physical Sciences Programmes

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	32 373 Graduates in initial Teacher Education from universities	Number of graduates in initial Teacher Education from universities	8 500	9 700 Graduates in initial Teacher Education from universities	10 543 Graduates in initial Teacher Education from universities	Target exceeded: 843 more graduates than the target	The over-achievement is a result of universities responding positively to the Department's endeavors to increase new teacher supply to better address the teacher supply-demand gap. Even though the target has been exceeded, the number of new graduates still falls some way short of system needs. The increase in the number of graduates may be due to improved throughput, and increased focus on the 1 year full time Post-Graduate Certificate in Education

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
<b>(4.3.1.3) Monitor good governance and management of the Higher Education system in order to build capacity and efficiency</b>	88% of Public Higher Institutions with good governance and management	Percentage of Public Higher Institutions with good governance and management	74%	78% Of Public Higher Institutions with good governance and management	78% Of Public Higher Institutions with good governance and management	Target achieved	-
	100% Private Higher Education Institutions registered complying to regulatory criteria	Percentage registered Private Higher Education Institutions (PHEIs) complying to regulatory criteria	100%	100% PHEIs registered complying to regulatory criteria	99% of PHEIs complied with the regulatory criteria	Target partially achieved: 1% below target	2 (out of 166) PHEIs did not comply with the regulations and were de-registered
	100% of statutes of universities reviewed and published in government gazette	Percentage of statutes of universities reviewed and published in government gazette	100%	100% of statutes of universities reviewed and published in government gazette	100% - 4 statutes submitted for revision in 2012/13 were approved and published in the government gazette	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	25 Universities with five Ministerial Council appointees appointed	Number of universities with five Ministerial Council appointees appointed	17	23 Universities with Ministerial Council appointees appointed	17 Universities with ministerial appointees appointed	Target partially achieved: 6 less universities than the target	The Higher Education Act stipulates that the Councils of Universities should have not more than 5 members of Council appointed by the Minister of Higher Education and Training. In 2011 the Minister requested that all institutions appoint 5 ministerial appointees and therefore the target was set. Institutions which, at that time, did not have 5 ministerial appointees would have to go through a process of amending their statutes to comply. This involves a prolonged process involving the various stakeholder constituencies of the institution. Some institutions have committed to increase the number of ministerial appointees to 5 and are still processing their changes in statutes

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	3 Governance training workshops for ministerial appointees	Number of governance training workshops for ministerial appointees		1 Governance training workshop for ministerial appointees	1 Governance training workshop successfully held on 1 February 2013	Target achieved	-
<b>(4.3.1.4)</b> <b>To develop and enhance the research capacity and productivity of universities</b>	142 325 Postgraduate graduates	Number of postgraduate graduates	40 665	44 520 Postgraduate graduates	43 067 Postgraduate graduates	Target partially achieved: 1 453 less graduates than targeted	Targets are based on projections from earlier trends. However, the matter will be followed up with institutions
	15 837 Masters graduates	Number of Masters graduates	4 641	4 978 Masters graduates	5 281 Masters graduates	Target exceeded: 303 more graduates than targeted	Note that only research Masters are counted here, that makes the result more significant. If all Masters are counted the number is even higher
	5 772 Doctoral graduates	Number of Doctoral graduates	1 637	1 785 Doctoral graduates	1 576 Doctoral graduates	Target partially achieved: 209 less graduates than targeted	Targets are based on projections from earlier trends. The matter will be followed up with institutions



STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	34 613 Publications	Number of publications	10 056	10 807 Publications	11 191 Publications units produced	Target exceeded: 384 more than the target	Universities have been stimulated to improve research productivity through the research outputs policy and research development grant and therefore have overachieved in this area
	Ratio of research output units per instructional/research staff to reach 1:42	Ratio of research output units per instructional/research staff	1:24	1:30	1:25	Target partially achieved: 0:05 below target	Although the research publications increased, the number of Doctoral graduates decreased which resulted in the target being below the expected ratio
<b>(4.3.1.5) To maintain and enhance the Higher Education Management Information System (HEMIS)</b>	2 Updates on the HEMIS for audited student and staff data annually	Number of updates on the HEMIS for audited student and staff data	2 Updates for 23 universities	2 Updates for 23 universities	2 Updates for each of the 23 institutions' student and staff data has been loaded into the national database and reports have been generated	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET FOR 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 3: UNIVERSITY EDUCATION</b>							
	1 Update on the HEMIS system for final building space data from the Universities annually	Number of updates on the HEMIS system for final building space data from the Universities	1 Annual update for 23 universities	1 Annual update for 23 universities	1 Annual update for each of the 23 Institutions' building space data has been loaded to the national database and reports have been generated	Target achieved	-

### Strategy to deal with underperformance

Underperformance was noted in the following areas reflected in the APP:

- In terms of the establishment of the two new universities the environmental impact analyses (EIA) were not completed and the Gazette establishing the new universities was not published. The EIAs are underway and all preparatory work has been completed to enable the Gazette to be published during the 2013/14 financial year. The delay in these processes will not affect the start-up of the new universities.
- The FET Lecturer Qualifications Policy was not published in the Government Gazette. The policy will be published once final comments from the Council on Higher Education (CHE) are received and the Minister has approved. A process for indentifying universities who will develop new programmes has already started.
- With respect to the target for the gender equity, 8.5% less female students were enrolled in higher education studies at universities than projected. While the overall enrolments grew the proportion of female students did not grow as expected. The reasons for this are not known. Some research should be done to understand this. However the targets may need to be adapted in future, as the current proportion of female students far outweighs male students. Only 42% (395 204) of the enrolled students (938 201) are male. A balanced enrolment would imply about 46% males and 54% females in line with the general population.
- In terms of enrolments in foundation provisioning programmes, 1.7% (214) less students were enrolled than projected. This is not a significant problem. However with the implementation of a revised policy on foundation provisioning, and the Department's efforts to encourage universities to develop programmes in fields which do not have good success and throughput rates, this should be improved in the future.

- In terms of the success rates the system underperformed by 1% and in terms of the overall number of graduates from the system, the system underperformed by 4.3% (7 181). As part of the strategy to improve success and graduation in the system, the Department has implemented new criteria for the use of teaching development funds to assist with programmes to improve the quality of teaching and support learning. A new policy will be developed during the 2013/14 financial year to guide the system and the utilisation of funds. A number of interventions are being implemented (see information on scarce skills below) in an effort to improve success and throughput across the system.
- With respect to the number of graduates in scarce skills areas the system underperformed in Engineering Sciences (12.1% (1 295) below target), and Human and Animal Health (5.4% (465) below target). The key problem is poor throughput of students. As indicated, this is a concern to the Department and interventions are underway to address underperformance. It is also acknowledged that it may take some time for the intervention to take effect.
- 99% of Private Higher Education Institutions complied with the regulatory criteria which is 1% below target. The Department monitors the system very carefully, reporting all cases of illegal provisioning to the South African Police Services (SAPS), and deregistering institutions that do not comply. It works in partnership with the CHE to identify problems.
- There was underperformance with respect to the aim for all universities to appoint five Ministerial Council members. Only 18 of the 23 have thus far complied with the Minister's request. The Department has written to all institutions requesting their cooperation. Some institutions have indicated their willingness to comply, but the processes for implementing changes in their statutes takes time. In 2013/14 it is expected that the system will get closer to this target.
- With respect to the overall number of post-graduate graduates. The Department has underperformed by 3.3% (1 453). While the research Masters' graduates are above target (303 more than expected), the doctoral graduates are 11% (209) below target. The targets are developed through projections from earlier trends and therefore it is expected that the actual numbers will not always be completely in line with the targets. Nevertheless the Department has implemented new criteria for the use of research development funds and is working in partnership with the Department of Science and Technology and the National Research Foundation to improve the human capacity of the system and is closely monitoring progress. We are also supporting post-graduate studies through an allocation to NSFAS to assist with improving post graduate output.
- It should be noted that in all cases audited HEMIS data is utilised and therefore this report reflects the number of students that were enrolled in 2011 and graduated in 2012. Preliminary data for the 2012 academic year cannot be utilised as it will still change and final audited data will only be available by August 2013.

**Linking programme performance with budgets**

Subprogramme	2012/13			2011/12		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: University Education	1 667	1 620	47	1 865	1 843	22
University - Academic Planning and Management Support	5 290 794	5 290 734	60	4 044 350	4 044 197	153
University - Financial Planning and Information Systems	10 049	9 894	155	8 038	7 855	183
University - Policy and Development	16 880	16 761	119	13 906	13 744	162
Teacher Education	7 020	6 925	95	6 673	6 558	115
University Subsidies	20 902 860	20 902 779	81	19 354 159	19 354 159	-
<b>Total</b>	<b>26 229 270</b>	<b>26 228 713</b>	<b>557</b>	<b>23 428 991</b>	<b>23 428 356</b>	<b>635</b>

**Programme 4: Vocational and Continuing Education and Training**

The **purpose of the programme** is to plan, develop, evaluate, monitor and maintain national policy, programmes, assessment practices and systems for vocational and continuing education and training, including further education and training colleges and post-literacy adult education and training.

There are three budget sub-programmes:

- Programme Management: Vocational and Continuing Education and Training
- Planning and Institutional Support
- Programmes and Qualifications

### Strategic objectives

The work of the Branch during the year under review was underpinned by the following strategic objectives derived from the Department of Higher Education and Training's Strategic Plan:

- Increase access to and improve success in programmes leading to intermediate and high-level learning by 2014
- Strengthen the institutional capacity of VET institutions to improve their performance and efficiency
- Manage and administer a credible and efficient examinations and assessment system for TVET institutions
- Provide support for the implementation of a monitoring, evaluation and research for the improvement of the vocational education and training subsystem

### *Significant achievements of the programme during 2012*

- With regard to expanding access to and improving success in the VCET programmes the following targets were achieved:
  - A student headcount enrolments of 657 690
  - 188 182 Students benefitted from the National Student Financial Aid Scheme
  - Nine FET Colleges successfully established relationships with higher education institutions to offer programmes at Levels 5 and 6 of the NQF
- Part of this above-mentioned strategic objective is improving success in VCET programmes. In this regard, the following were achieved:
  - An average pass rate of 41% and 76% for NC(V) Level 2 to 4 Mathematics and Mathematical Literacy respectively
  - Four reports that account for the deployment of donor funds to improve teaching and learning institutional capacity to deliver TVET programmes
  - 201 Student support services managers and the regional offices officials were trained in the implementation of the Student Support Service Framework and
  - 708 lecturer units were trained to support curriculum delivery.
- With respect to building institutional capacity the following was achieved:
  - Instead of training 276 personnel in financial management, 48 chartered accountants were deployed to FET Colleges as support CFOs to stabilise the sector. Part of their mandate is to build capacity to the financial managers and appointed CFOs.
- With respect to the management of credible examinations and assessment systems the following indicators were achieved:
  - Successful registration of candidates in all the 449 FET Colleges examination centers;
  - Certification of all Report 191 graduates and
  - 100% resulting of all candidates in the VCET qualifications.
- With respect to monitoring, evaluation and research for the improvement of teaching and learning the following indicators were achieved:
  - The Business Management System has been expanded to 8 FET Colleges;
  - Annual surveys were conducted in 2 695 centers and 50 FET Colleges and
  - A model for FET Colleges expansion has been developed

### Other notable achievements

- The following functions were shifted from the Provincial Authority to the Department of Higher Education and Training in terms of the Further Education and Training Colleges Amendment Act, 2012 (Act No. 3 of 2012):
  - Governance and management;
  - Human Resources: Transfer of Principals and Deputy Principals and
  - Responsibility of the state in relation to funding.
- Students were enrolled in January 2013 into the newly developed Primary Health programme of the NC(V) qualifications, which was developed in consultation with industry experts, the Health and Welfare Sector Education and Training Authority and the Department of Health. In addition, ten subjects in the NC(V) were revised to better align them to industry needs as well as to enable improved teaching in these subjects: Automotive Repair and Maintenance, Welding, Fitting and Turning, four subjects in the Electrical Infrastructure Construction programme, and three fundamental subjects – First Additional Language, Life Orientation and Mathematical Literacy.
- 52 Textbooks were developed, evaluated and approved for the delivery of these new and revised curriculums, which were offered at Level two in January 2013.
- Assessment guidelines for the Report 191 programmes were developed and implemented for the first time in January 2013, to strengthen the credibility of student assessments and to positively impact on student performance. Student assessments remain a key focus area for quality improvement in FET Colleges.
- The Ministerial Task Team established in 2011 for the review of the NC(V) qualifications completed its work, including an extended scope of work commissioned in 2012. A final report was submitted for the Minister's consideration in March 2013. The findings and recommendations of the task team will inform the amendments to the qualifications policy for the NC(V).
- The National Senior Certificate for Adults (NASCA) has been submitted to SAQA for registration. The completion of the qualification process will enable curriculum development to commence.
- Support workshops were conducted for the management and conduct of examinations to FET Colleges in the Eastern Cape, Gauteng, KwaZulu-Natal and Limpopo. Briefing workshops were held for all FET College marking center managers for both centralised and decentralised national marking centers. Question-based marking were introduced for the first time.

### Reason for changing performance indicators during the year

There were no changes to the performance indicators in this programme.

## Programme performance: Strategic objectives, performance indicators planned targets and actual achievements

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
<b>(4.4.1.1)</b> <b>Increase access to and improve success in programmes leading to intermediate and high-level learning by 2014</b>	300 000 Learners enrolled in AET Level 1-4 by outer year	Number of learners enrolled in AET Level 1-4	233 000	255 000 Learners enrolled in AET Level 1-4	250 738	Target partially achieved: 4 262 learners below target	The data provided by Provincial Education Department suggests that the funding of the programme is inadequate to support the envisaged expansion of adult education and training

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
	800 000 Headcount enrolments in public FET College programmes by outer year	Number of Headcount enrolments in public FET College programmes	350 000	550 000 Headcount enrolments in public FET College programmes	657 690	Target exceeded by 107 690	Contributing factors that led to the positive variance are: <ul style="list-style-type: none"> <li>• Increased bursary funding made available through the NSFAS, the NSF and SETAs</li> <li>• Increased focus by the Department on profiling of FET Colleges to make them institutions of choice</li> <li>• Active campaigning through media and career guidance activities, by the Department to urge the youth to consider taking vocational programmes offered in FET Colleges</li> </ul>
	535 161 FET College students awarded bursaries	Number of FET College students awarded bursaries	169 000 NC(V) and 191 students	180 826 NC(V) College students awarded bursaries	188 182	Target exceeded by 7 356	Extra funding was secured to cater for more students than was projected



STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
	National Senior Certificate for Adults (NASCA) developed by 2012 and 10 000 adult learners enrolled for NASCA by 2014	National Senior Certificate for Adults (NASCA) developed	NASCA qualification policy developed	Curriculum support programmes developed	Curriculum support programmes were not developed	Target not achieved	Funding for the curriculum development function was only secured during the latter part of the financial year and progress on the project will commence during the 2013/14 financial year
	12 Colleges supported to offer NQF level 5 to 6 programmes by outer year	Number of colleges offering NQF level 5 to 6 programmes	6 Colleges offering higher education programmes	8 Colleges offering higher education programmes	8 Colleges offering higher education programmes	Target achieved.	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
	Certification rates in the VET qualification increasing to: GETC : 40% NC(V) L2:54% NC(V) L3:55% NC(V) L4:57% N1-N3: 50% N4-N6: 50% NASCA: 50%	Certification rates in the VET qualification	GETC : 25% NC(V) L2: 39% NC(V) L3: 40% NC(V) L4: 42% N1-N3: 26% N4-N6: 34%	GETC : 30% NC(V) L2: 44% NC(V) L3: 45% NC(V) L4: 47% N1-N3: 33% N4-N6: 40%	GETC: 37% NC(V) L2: 43% NC(V) L3: 43% NC(V) L4: 41% N1-N3: 24% N4-N6: 25%	Target partially achieved: GETC: 6% NC(V) L2: -1% NC(V) L3: -2% NC(V) L4: -6% N1-N3: -9% N4-N6: -15%	Curriculum interventions coordinated by the Department assisted with the focus on performance in the GETC by emphasising the provisioning of learning and teaching support material, the training of educators and focusing on the Site Based Assessment Tasks. The low performance, except for the GETC, can mainly be attributed to lecturer capacity, institutional instability and the inability of students to cope with subjects such as Physical Science, Electronic Control and Digital Electronics

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
	Pass rate in Mathematics and Mathematical Literacy  Mathematics: NC(V) L2: 52% NC(V) L3: 46% NC(V) L4: 46%  Mathematical Literacy: NC(V) L2: 59% NC(V) L3: 57% NC(V) L4: 67%	Pass rate in Mathematics and Mathematical Literacy	Mathematics: NC(V) L2: 22% NC(V) L3: 16% NC(V) L4: 16%  Mathematical Literacy: NC(V) L2: 29% NC(V) L3: 27% NC(V) L4: 37%	Mathematics: NC(V) L2: 32% NC(V) L3: 26% NC(V) L4: 26%  Mathematical Literacy: NC(V) L2: 39% NC(V) L3: 37% NC(V) L4: 47%	Mathematics: NC(V) L2: 44% NC(V) L3: 36% NC(V) L4: 43%  Mathematical Literacy: NC(V) L2: 65% NC(V) L3: 78% NC(V) L4: 85%	Targets exceeded as follows:  Mathematics: NC(V) L2: 12% NC(V) L3: 10% NC(V) L4: 17%  Mathematical Literacy: NC(V) L2: 26% NC(V) L3: 41% NC(V) L4: 38%	The improvements in student performance in Mathematics and Mathematical Literacy are related to lecturer training in 2012 on both subjects and the development of and training on the Internal Continuous Assessments (ICASS) guidelines
	Certification rates of bursary recipients:  NC(V) L2: 50% NC(V) L3: 50% NC(V) L4: 50%  N1-N3: 55% N4-N6: 55%	Certification rates of bursary recipients	NC(V) L2: 28% NC(V) L3: 30% NC(V) L4: 35%  N1-N3: 35% N4-N6: 35%	NC(V) L2: 39% NC(V) L3: 42% NC(V) L4: 43%  N1-N3: 40% N4-N6: 40%	NC(V) L2: 36% NC(V) L3: 34% NC(V) L4: 35%  N1-N3: 26% N4-N6: 30%	Targets partially achieved Certification rates are below targets: NC(V) L2: -3% NC(V) L3: -8% NC(V) L4: -8%  N1-N3: -14% N4-N6: -10%	The significantly lower certification rate of bursary recipients suggests that FET Colleges may not effectively apply the academic merit eligibility criteria outlined in the Bursary Scheme Administration Guidelines

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
	Business Management Standards, Qualifications, review, NC(V) selected subjects review and Student Support Services interventions implemented to selected FET Colleges through donor funding and produce 4 reports annually	Business Management Standards, Qualifications, review, NC(V) selected subjects review and Student Support Services interventions implemented to selected FET Colleges through donor funding and reported on quarterly	4 Quarterly reports	4 Quarterly reports	4 Quarterly reports	Target achieved	-
	388 Lecturers, SSS managers and PDE/Regional offices officials trained to implement the comprehensive Student Support Services Framework	Number of lecturers, SSS managers and PDE/Regional offices officials trained to implement the comprehensive Student Support Services Framework	126	128	201	Target exceeded by 73	Three instead of two workshops were convened to train SSS managers on the Strategic Planning for 2013/14, administering and analysing the selection and placement test and student governance in FET Colleges

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
	1 800 Lecturers trained to support new curriculum delivery	Number of trained lecturers to support new curriculum delivery	750	700	708 Trained	Target exceeded by 8 units	More lecturers attend training sessions than planned. The additions are managed within the planned costs and logistics
	180 Provincial Education Department (PED) officials trained to support new curriculum delivery	Number of trained Provincial Education Department (PED) officials to support new curriculum delivery	23	PED officials trained: 60	35	Target partially achieved: Below target by 25	Provinces are not in all instances willing to incur costs to attend workshops. Absenteeism of officials is also experienced
<b>(4.4.1.2) Strengthen the institutional capacity of VET institutions to improve their performance and efficiency</b>	388 Personnel in vocational education and training institutions trained to support curriculum delivery in AET and Colleges	Number of personnel in vocational education and training institutions trained to support curriculum delivery in AET and Colleges	126	128	No training took place	Target not achieved	This training could not happen in the absence of the curriculum and curriculum support materials

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
	644 Personnel at VET institutions trained in financial management	Number of personnel at VET institutions trained in financial management	-	276	No training took place	Target not achieved	The deployment of support CFOs through the SAICA intervention programme addressed this indicator and further training was not considered
	50 Fully constituted College Councils by outer year	Number of fully constituted College Councils	20	50 College Councils fully constituted	31	Target partially achieved: 19 College Councils could not be constituted	The target was not achieved due to failure to attract suitable candidates in most colleges. The Department will re-advertise and headhunt for suitable candidates
	50 Colleges implement reviewed Human Resource Management and Planning (HRM&P) framework by outer year.	Human Resource Management and Planning (HRM&P) framework for FET Colleges developed and implemented	Analyse HRM&P practises in use in 20 colleges	A generic HRM&P framework developed and approved	A draft generic HRM&P framework developed	Target partially achieved: A draft generic HRM&P framework developed but not approved	Organisational structure completed, post provisioning norms currently being researched and the career pathing model was delayed by the staff migration processes

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
<b>(4.4.1.3) Manage and administer a credible and efficient examinations and assessment system for VET institutions</b>	Efficient registration, resulting and certification system	An efficient registration resulting, and certification system	An efficient registration resulting, and certification system	An efficient registration resulting, and certification system	Candidates in all 449 examination centers were successfully registered for exams. All Report 191 candidates who had successfully completed their part qualifications were certificated.	Target partially achieved: No certificates issued for NC(V) graduates.	Challenges were still being experienced with the certification data as at 31 March 2013 and the issuing of certificates is scheduled to start in April 2013 beginning with Level 2 and then moving onto Levels 3 and 4 respectively
	100% vocational education and training institutions conducting improved assessments	Percentage of vocational education and training institutions conducting improved assessments	-	100% vocational education and training institutions conducting improved assessments	87% institutions conducting national examinations in a credible manner	Target partially achieved: 13% of examination centers implicated in leakages during the 7 FETC examination cycles conducted in 2012	Leakages occurred during the 3 Engineering Studies examination cycles in April, August and November 2012 which affected 60 out of the 449 centers that participated in national examinations

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 4: VOCATIONAL AND CONTINUING EDUCATION AND TRAINING</b>							
<b>(4.4.1.4)</b> <b>Provide support for the implementation of a monitoring, evaluation and research for the improvement of the vocational education and training subsystem</b>	All colleges implementing Business Management System standards	Number of colleges implementing Business Management System standards (BMS)	BMS expanded to 7 colleges	BMS expanded to 8 colleges	BMS has been expanded to 7 colleges	Target partially achieved: Below target by 1	-
	3 133 Surveys conducted and reported on by outer year	Number of AET centers where annual surveys were conducted	2 389	2 820	2 695	Target partially achieved: Below target by 125	-
		Number of FET Colleges where annual surveys were conducted	50	50	50	Target achieved	-
	A model for FET College expansion developed	A model for FET College expansion developed		A model for FET College expansion developed	A model for FET College expansion has been developed	Target achieved	-

#### Strategy to deal with under performance

##### i) Enrolment

- In order to be able to meet enrolment targets for the expansion of adult education and training, the Department of Higher Education and Training is engaging with the National Treasury and Provincial Departments of Education to convert the Provincial Programme 6 allocations into a Schedule 4 Conditional Grant until the AET function is shifted to the competence of the Department. The Department will submit a budget bid for the 2014 MTEF for the expansion of enrolments in this area.

##### ii) NASCA

- Interim funding has been secured for curriculum and materials development for the NASCA. A budget bid will be submitted for the 2014 MTEF for the rollout of the qualification in 2015.
- With regard to training target, the Department has decided to host training of AET officials in order to limit provincial costs



**iii) Intervention to improve student performance**

Our strategy for the improvement of pass and certification rates is anchored on the principle of access for success. We adopted a multi-pronged approach that targets different aspects of teaching and learning as well as student support environments

Student Focused Interventions include:

- Implementation of placement tests to ensure a match between aptitude and field of study;
- Implementation of Academic Support programmes;
- Counselling and Guidance;
- Student mentoring;
- Additional remedial interventions based on needs; and
- Additional opportunities for teaching and learning through extra classes where appropriate.

**iv) Lecturer Development**

In addition to student-focused interventions, systemic lecturer support and development measures, coupled with improved oversight and monitoring of lecturer performance, will also contribute to enhancing the teaching and learning environment.

Other measures include:

- Training in good classroom practice and subject content knowledge;
- Work-place exposure for lecturers;
- Enrolment in studies towards qualifications; and
- Creation of communities of practice.

**v) Improvement of Facilities**

- Refurbishments of educational facilities including workshops; and
- Updating of workshop equipment in keeping with modern technologies.

**vi) Systemic Intervention**

Included in an over-arching turnaround strategy, are measures to enhance the academic oversight role of the college:

- Academic Board, a statutory body with a legislative mandate in this regard.
- Attention is also being given to the review of curricula to ensure that standards are consistent and outcomes are on the appropriate levels.
- An in-depth analysis of pass and certification rates, per college, per province has been conducted with a view to determining performance against nationally set norms and standards.
- The retention rate and placement of college graduates are also key focus areas.

On the basis of these analyses, colleges are developing improvement plans that will constitute performance agreements for principals.

**vii) Issuing of NC(V) Certificates**

The Department embarked on and concluded a comprehensive audit of the national examinations function in collaboration with the University of South Africa (UNISA). The findings and ensuing recommendations of this audit are being used to improve the operations. This will assist extensively with the certification backlog.

**Linking programme performance with budgets**

Subprogramme	2012/13			2011/12		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Vocational and Continuing Education and Training	4 749	4 717	32	1 348	1 280	68
Planning and Institutional Support	4 862 349	4 862 215	134	4 391 167	4 390 775	392
Programmes and Qualifications	181 054	179 009	2 045	152 948	148 783	4 165
<b>Total</b>	<b>5 048 152</b>	<b>5 045 941</b>	<b>2 211</b>	<b>4 545 463</b>	<b>4 540 838</b>	<b>4 625</b>

## Programme 5: Skills Development

The **purpose of the programme** is to promote and monitor the national skills development strategy. Develop skills development policy and a regulatory framework for an effective skills development system.

There are four budget sub-programmes:

- Programme Management: Skills Development
- SETA Coordination
- National Skills Development Services
- Quality Development and Promotion

### Significant achievements of the programme during 2012

During the year under review, SETAs were required to deliver industry specific skill intervention that will assist in achieving the goals of the National Skills Development Strategy III. SETAs have responded positively, based on quarterly reports the Department have been receiving. SETAs are beginning to be responsive to the new vision of the Department, that of integrating with the two subsystems, i.e. Universities and FET Colleges. A case in point is the opening of SETA offices in FET Colleges for the purpose of facilitating works integrated learning and development of programmes.

The new SETA Grant Regulations came into operation on 1 April 2013 and SETAs are to target funding towards structured workplace learning and experience. This is to promote partnerships between education and training institutions and employers and through this institutionalise the work within the post school education and training system.

Since the signing of the National Skills Accord, the Department has had a number of engagements with all the social partners to monitor progress on all the commitments of the National Skills Accord.

The Department in conjunction with the Department of Public Service and Administration started engagement with Provincial Departments, National Departments, as well as Municipalities to open up work places to FET graduates for work integrated learning.

An Artisan Recognition of Prior Learning (ARPL) system was introduced that is focused on supporting persons who are working as assistants in the engineering field to become certificated artisans.

### Reason for changing performance indicators during the year

There were no performance indicators changed during the year.

## Programme performance: Strategic objectives, performance indicators planned targets and actual achievements

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 5: SKILLS DEVELOPMENT</b>							
<b>(4.5.1.1) Provide a dynamic Interface between the workplace and learning institutions and to promote quality learning at work and for work by 2014</b>	10 000 Artisan candidates found competent nationally per annum	Number of artisan candidates found competent nationally	10 000	10 000	8 655	Target not achieved	Under reporting by SETAs and the establishment of the list of artisans in August 2012 that included additional occupations on artisans
	45 500 Graduates receiving Work Integrated Learning (WIL)	Number of graduates receiving Work Integrated Learning (WIL)	3 400	8 500	14 961	Target exceeded	Universities of Technology (UoTs): 9 981 Public Further Education and Training graduates (FET): 4 980
	System for management of trade test tasks implemented at all test centers	Secure trade testing system developed and implemented at all trade test centers	Business needs and requirements developed for a national question bank for trade testing	System for management of trade test tasks developed and piloted at 5 test centers	Not achieved	Target not achieved: No system developed	Tender for system issued February 2013
	60 Audits conducted at SETA accredited trade test centers with reports	Number of audits conducted at SETA accredited trade test centers	20	20	52	Target exceeded by 32	Accelerated operationalisation of NAMB
	Learning Programme Regulations issued for public comment, gazetted and implemented	Learning Programme Regulations aligned to the Occupational Qualifications Framework	Draft Learning Programme Regulations in line with OQF and NQF approved	Draft Learning Regulations issued for public comment	Draft Learning Regulations issued for public comment	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 5: SKILLS DEVELOPMENT</b>							
	Policy Framework for ISOE and SDI Agencies developed and implemented	Policy Framework for ISOE and SDI Agencies developed and implemented	Draft Agency Regulation developed	Agency Regulations issued for public comment	Agency Regulations were issued as part of the Learning Programme regulation for public comment	Target achieved	-
	Best Practice Framework and Guideline implemented and reviewed	Best Practice Annual Critical Path Framework signed off by NSA and implemented	Best Practice Framework and Guideline approved by NSA	Best Practice Framework and Guideline implemented	Framework and Guideline in place	Target not achieved	-
	100% of SETAs implementing NSDS III with approved Service Level Agreement	Percentage of SETAs implementing NSDS III with approved Service Level Agreement	100%	100% SETAs implementing NSDS III with approved Service Level Agreement	100% SETAs implementing NSDS III with approved Service Level Agreement	Target achieved	-
<b>(4.5.1.2) Promote the alignment of skills development outputs to the needs of the workplace and to the broader growth needs of the country's economy</b>	21 Strategic Plans analysed in relation to the Sector Skills Plans and approved	Number of SETAs' Strategic Plans analysed in relation to the Sector Skills Plans and approved	21	21 Strategic Plans analysed in relation to the Sector Skills Plans and approved	21 Strategic Plans analysed in relation to the Sector Skills Plans and approved	Target achieved	-

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 5: SKILLS DEVELOPMENT</b>							
	Improved communication with SETAs through 4 SETA Fora annually	Improved communication with SETAs through SETA Fora	2 SETA Fora	4 SETA Fora held to improve communication with SETAs	4 SETA Fora held to improve communication with SETAs	Target achieved	-
	4 Quarterly NSDS implementation reports annually	Number of NSDS implementation reports	4 Quarterly NSDS implementation reports	4 Quarterly NSDS implementation reports	4 Quarterly NSDS implementation reports	Target achieved	-
	1 Review report produced annually	Number of annual review reports	1 Annual review report	1 Annual review report	Not achieved	Target not achieved: No report was produced	Misalignment of timelines with audited information from stakeholders. Annual review for 2012/13 to be finalised during 2013/14
<b>(4.5.1.3)* Provide funds to support projects that are national priorities in the NSDS, that advance the Human Resource Development Strategy (HRDS) of South Africa and that support the NSA in its work</b>	R5.8 billion earmarked to support projects of national priority	Amount earmarked to support projects of national priority	R2.2 billion	R2.3 billion	R8.833 billion	R6.533 billion over-achievement	The NSF's high level of performance in committing funds towards skills development projects of national priority during the past financial year lead to the over-achievement

STRATEGIC OBJECTIVE	STRATEGIC TARGET (MTEF)	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2011/12	PLANNED TARGET 2012/13	ACTUAL ACHIEVEMENT 2012/13	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT 2012/13	COMMENTS ON DEVIATION
<b>PROGRAMME 5: SKILLS DEVELOPMENT</b>							
	400 Projects supported by National Skills Fund by outer year	Number of projects supported by National Skills Fund	215	262 Projects supported by National Skills Fund	157 Projects	105 Projects under-achievement	The NSF funded projects of higher amounts and learner numbers. Hence the NSF over-achieved on the amounts earmarked target and the number of learners trained even though the number of projects as target was not achieved
	117 179 Learners trained in NSF projects	Number of learners trained in NSF projects	37 793	32 179 Learners trained in NSF projects	95 554 Learners	63 375 Over-achievement	The NSF's high level of performance of disbursing funds towards skills development projects during the past financial year lead to the over-achievement

\* The National Skills Fund (NSF) has been gazetted as a Schedule 3A public entity by the Minister of Finance with effect from 1 April 2012. These targets will also be reported in the Annual Report of the NSF.

### Strategy to deal with under performance

A total of 8 655 learners were reported as being competent for 2012/13 against a target of 10 000. However, there is clear evidence that some SETAs have not reported all artisan learners as per the official list of artisan occupations released during August 2012. A data validation project has been implemented with every SETA in collaboration with the National Artisan Development Support Centre to capture all artisan learners onto a single database for improved monitoring and reporting.

**Linking programme performance with budgets**

Subprogramme	2012/13			2011/12		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management: Skills Development	2 061	2 049	12	4 319	4 250	69
SETA Coordination	65 033	64 997	36	73 640	65 363	8 277
National Skills Development Services	5 887	5 864	23	25 790	25 523	267
Quality Development and Promotion	20 352	20 352	-	26 889	26 889	-
<b>Total</b>	<b>93 333</b>	<b>93 262</b>	<b>71</b>	<b>130 638</b>	<b>122 025</b>	<b>8 613</b>

**5. SUMMARY OF FINANCIAL INFORMATION****Departmental receipts**

The tariffs charged by the Department are in respect of National Technical Examinations, Private Further Education and Training Colleges, Private Higher Education Institutions and Trade tests. Different policies apply to these tariffs and details of the tariffs charged are included in the Report of the Accounting Officer.

During the year under review bad debts to the amount of R32 490.00 were written off. This was in respect of a missing Olivetti Photocopy Machine.



**Table 1: Departmental Receipts**

RECEIPTS	2012/13			2011/12		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Sales of goods and services produced by department	4 530	4 949	(419)	3 358	3 918	(560)
Sales of scrap, waste and other used current goods	24	16	8	15	39	(24)
Transfers received	20	80	(60)	-	-	-
Interest, dividends and rent on land	3 514	3 458	56	3 577	3 512	65
Sale of capital assets	-	-	-	-	7	(7)
Transactions in financial assets and liabilities	2 497	2 410	87	1 699	2 796	(1 097)
<b>Total</b>	<b>10 585</b>	<b>10 913</b>	<b>(328)</b>	<b>8 649</b>	<b>10 272</b>	<b>(1 623)</b>

Increases in revenue are mainly attributable to better than the projected collection of revenue in respect of trade test fees.

### Programme Expenditure

The total expenditure excluding direct charges for the 2012/13 financial year amounts to R31 582.400 million which represents a spending rate of 99.99%. The main reason for under-expenditure was due to savings realised on funds provided for performance awards and posts on the staff establishment of the Department that became vacant during the year and that could not be filled as projected and the concomitant savings that resulted from this, audit fees and the under-spending on the INDLELA security system because of transitional arrangements and the extent of the project, as well as cost containment measures put in place to ensure that the Department would not overspend on its budget. The minimal savings on the Vote did not negatively impact on service delivery within the Department.

**Table 2: Programme Expenditure**

PROGRAMME NAME	2012/13			2011/12		
	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	FINAL APPROPRIATION	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	172 151	171 655	496	155 688	152 404	3 284
Human Resource Development, Planning and Monitoring Coordination	43 245	42 829	416	38 734	38 074	660
University Education	26 229 270	26 228 713	557	23 428 991	23 428 356	635
Vocational and Continuing Education and Training	5 048 152	5 045 941	2 211	4 545 463	4 540 838	4 625
Skills Development	93 333	93 262	71	130 638	122 025	8 613
<b>Subtotal</b>	<b>31 586 151</b>	<b>31 582 400</b>	<b>3 751</b>	<b>28 299 514</b>	<b>28 281 697</b>	<b>17 817</b>
Statutory Appropriation	11 694 493	11 694 493	-	10 095 113	10 025 251	69 862
<b>Total</b>	<b>43 280 644</b>	<b>43 276 893</b>	<b>3 751</b>	<b>38 394 627</b>	<b>38 306 948</b>	<b>87 679</b>

**Transfer payments (excluding public entities)****Table 3: Transfer payments (Excluding Public Entities)**

NAME OF TRANSFEREE	PURPOSE FOR WHICH FUNDS WERE USED	COMPLIANCE WITH SECTION 38(1)(J) OF THE PFMA	AMOUNT TRANSFERRED R'000
<b>UNIVERSITIES</b>			
Cape Peninsula University of Technology	Subsidy	Yes	925 221
Central University of Technology, Free State	Subsidy	Yes	383 032
Durban Institute of Technology	Subsidy	Yes	720 097
Mangosuthu University of Technology	Subsidy	Yes	320 620
Nelson Mandela Metropolitan University	Subsidy	Yes	746 349
North West University	Subsidy	Yes	1 162 246

NAME OF TRANSFEREE	PURPOSE FOR WHICH FUNDS WERE USED	COMPLIANCE WITH SECTION 38(1)(J) OF THE PFMA	AMOUNT TRANSFERRED R'000
Rhodes University	Subsidy	Yes	327 945
Tshwane University of Technology	Subsidy	Yes	1 379 612
University of Cape Town	Subsidy	Yes	1 082 442
University of Fort Hare	Subsidy	Yes	396 306
University of Free State	Subsidy	Yes	908 856
University of Johannesburg	Subsidy	Yes	1 257 724
University of Kwazulu-Natal	Subsidy	Yes	1 479 135
University of Limpopo	Subsidy	Yes	813 479
University of Pretoria	Subsidy	Yes	1 739 404
University of South Africa	Subsidy	Yes	2 014 053
University of Stellenbosch	Subsidy	Yes	1 074 786
University of Venda	Subsidy	Yes	420 888
University of Western Cape	Subsidy	Yes	686 329
Witwatersrand University	Subsidy	Yes	1 229 172
University of Zululand	Subsidy	Yes	463 852
Vaal University of Technology	Subsidy	Yes	546 908
Walter Sisulu University of Science and Technology	Subsidy	Yes	769 341
National Institute for Higher Education: Mpumalanga	Subsidy	Yes	34 670
National Institute for Higher Education: Northern Cape	Subsidy	Yes	20 312

NAME OF TRANSFEREE	PURPOSE FOR WHICH FUNDS WERE USED	COMPLIANCE WITH SECTION 38(1)(J) OF THE PFMA	AMOUNT TRANSFERRED R'000
<b>FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS</b>			
Commonwealth of Learning	Contribution	No	2 197
India-Brazil-South Africa Trilateral Commission	Contribution	No	442
<b>NON PROFIT INSTITUTIONS</b>			
Higher Education South Africa (HESA)	Earmarked funds for HIV/Aids project	Yes	5 000

R31 059.433 million (98.33%) of the total allocation of R31 586.151 million excluding direct charges, has been allocated to transfers and subsidies on the Department's Vote. Direct charges amount to R11 694.493 million.

Transfer payments from voted funds were in respect of the FET Colleges Conditional Grant, subsidies to 23 universities and universities of technology as well as public entities (National Student Financial Aid Scheme, South African Qualifications Authority, Council on Higher Education and Training and the Quality Council for Trades and Occupations), international organisations (Commonwealth of Learning and the India-Brazil-South Africa Trilateral Commission), non-profit institutions (Higher Education South Africa for the HEAIDS project) and the Education, Training and Development Practices SETA.

Transfer payments from the direct charges against the National Revenue Fund were made to 21 Sector Education and Training Authorities (SETAs) and the National Skills Fund for levies received from the South African Revenue Service.

With regards to the monitoring of expenditure, the Department is receiving expenditure reports on the spending of the FET Colleges Conditional Grants on a monthly basis from provincial education departments. With regards to universities and universities of technology annual reports are evaluated by the Department. The transfers to international organisations and the Education, Training and Development Practices SETA are annual member contributions and no monitoring of this expenditure is taken place.

**Public Entities****Table 4: Transfer payments to Public Entities**

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY R'000
Education Training and Development Practices SETA	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	175
Council on Higher Education (CHE)	It advises the Minister of Higher Education and Training on all higher education policy matters, implements the system of quality assurance for all higher education, monitor the state of the higher education system and contribute to the development of higher education through intellectual engagement	39 993
National Student Financial Aid Scheme (NSFAS)	It is responsible for administering loans and bursaries and allocating these to eligible students, developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training, raising funds, recover loans, maintaining and analysing a database, undertaking research for the better utilisation of financial resources and advising the Minister on matters relating to student financial aid	5 195 661
South African Qualifications Authority (SAQA)	SAQA focuses on upholding the principles of the National Qualification Forum, including ensuring access, quality, redress and development for all learners, through an integrated national framework of learning achievements	45 723
Quality Council for Trades and Occupations (QCTO)	To develop and quality assure occupational qualifications that are responsive to the labour market and developmental state initiatives	20 352
National Skills Fund (NSF)	To fund national skills development priority projects as identified in the NSDS and projects related to achieving the purpose of the Act as determined by the Accounting Authority	2 338 898
<b>SECTOR EDUCATION AND TRAINING AUTHORITIES</b>		
Agriculture Sector Education and Training Authority (AGRISETA)	Provision of relevant, quality and accessible education, training and development in both primary and secondary agriculture sectors	223 761
Banking Sector Education and Training Authority (BANKSETA)	Provision of relevant, quality and accessible education, training and development in the banking and microfinance sector	703 956

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY R'000
Construction Education and Training Authority (CETA)	Provision of relevant, quality and accessible education, training and development in the construction industry	464 728
Energy and Water Sector Education and Training Authority (EWSETA)	Provision of relevant, quality and accessible education, training and development in the energy and water sector	209 484
Education, Training and Development Practices (ETDP)	Provision of relevant, quality and accessible education, training and development in the education, training and development sector	303 727
Financial and Accounting Services Sector Education and Training Authority (FASSET)	Provision of relevant, quality and accessible education, training and development in the financial and accounting services sector	373 559
Food and Beverages Sector Education and Training Authority (FOODBEV)	Provision of relevant, quality and accessible education, training and development in the food and beverages sector	225 886
Health and Welfare Sector Education and Training Authority (HWSETA)	Provision of relevant, quality and accessible education, training and development in the health and welfare sector	292 361
Chemical Industries Education and Training Authority (CHIETA)	Provision of relevant, quality and accessible education, training and development in the chemical industries sector	392 090
Transport Education and Training Authority (TETA)	Provision of relevant, quality and accessible education, training and development in the transport sector	506 034
Public Service Sector Education and Training Authority (PSETA)	Provision of relevant, quality and accessible education, training and development in the public service sector	1 491
Insurance Sector Education and Training Authority (INSETA)	Provision of relevant, quality and accessible education, training and development in the insurance sector	317 301
Media, Information and Communication Technologies SETA (MICTS)	Provision of relevant, quality and accessible education, training and development in the information system, electronics and telecommunications technologies sector	575 264
Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)	Provision of relevant, quality and accessible education, training and development in the manufacturing, engineering and related services sector	1 043 287
Mining Qualifications Authority (MQA)	Provision of relevant, quality and accessible education, training and development in the mining and minerals sector	823 849

NAME OF PUBLIC ENTITY	SERVICES RENDERED BY THE PUBLIC ENTITY	AMOUNT TRANSFERRED TO THE PUBLIC ENTITY R'000
Safety and Security Education and Training Authority (SASSETA)	Provision of relevant, quality and accessible education, training and development in the safety and security sector	200 484
Service Sector Education and Training Authority (SERVICES SETA)	Provision of relevant, quality and accessible education, training and development in the services sector	1 071 772
Culture, Arts, Tourism, Hospitality and Sport Education and Training (CATHSSETA)	Provision of relevant, quality and accessible education, training and development in the tourism, hospitality and sport sector	228 026
Wholesale and Retail Sector Education and Training Authority (W&R SETA)	Provision of relevant, quality and accessible education, training and development in the wholesale and retail sector	732 626
Local Government Education and Training Authority (LGSETA)	Provision of relevant, quality and accessible education, training and development in the local government sector	392 035
Fibre Processing and Manufacturing Sector Education and Training Authority (FP&MSETA)	Facilitate, coordinate and monitor the implementation of the NSDS in the Fibre Processing and Manufacturing sector	273 874

The Department did receive written assurance in terms of section 38(1)(j) certificates from all public entities that the entities implemented effective, efficient and transparent financial management and internal control system during 2012/13.

With regards to the monitoring of expenditure, all public entities, including the SETAs, submit quarterly reports as legally required.

### Conditional grants and earmarked funds

The table below details the conditional grant paid during the period 1 April 2012 to 31 March 2013.

**Table 5: FET Colleges Conditional Grant**

Department to whom the grant has been transferred	Provincial Education Departments
Purpose of the grant	To ensure the successful transfer of the function of FET Colleges to the Department of Higher Education and Training
Expected outputs of the grant	<ul style="list-style-type: none"> <li>· Enrolment of NC(V) Programmes, as specified in college enrolment target planning</li> <li>· Enrolment in Report 191 Programmes as set out in the college enrolment target planning</li> <li>· Expanding information and communication technology (ICT) for teaching and learning, using connectivity norms</li> <li>· Continued implementation of MISs for the delivery of transversal MIS services</li> <li>· Implementation of the Funding Norms for FET Colleges</li> <li>· Upgrading, alteration, refurbishment and moderation of classrooms, workshops and laboratories</li> <li>· Maintenance and repairs of equipment to support the delivery of approved programmes</li> <li>· Infrastructure development</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• Approximately 3 421 college lecturing staff were trained towards improved subject knowledge for fundamental components, NC(V) subjects and other occupational programmes;</li> <li>• Approximately 3 904 college lecturing staff were trained towards improved classroom practice for fundamental components (Maths and English), NC(V) and other occupational programmes;</li> <li>• Approximately 1 990 support staff were trained to provide improved administrative and student services;</li> <li>• 91 support staff were trained on the standard AAT accounting programme;</li> <li>• A total of 66 new workshops, 219 new classrooms and 50 administrative or student support offices were built; and</li> <li>• A total of 245 workshops and 438 classrooms were upgraded.</li> </ul>
Amount per amended DoRA (R'000)	4 844 607
Amount transferred (R'000)	4 844 607
Reasons if amount per DoRA not transferred	Not applicable



Amount spent by the department (R'000)	4 824 156
Reasons for the funds unspent by the entity	Of the R20,451 million under-spending amounting to 0.4% of total transfers, R1.4 million relates to under-spending on compensation of employees in the Eastern Cape Province where as the other portion relates to under-spending on goods and services in Mpumalanga, Northern Cape and Eastern Cape provinces
Monitoring mechanism by the transferring department	The Department is receiving expenditure reports on the spending of the FET Colleges Conditional Grant on a monthly basis from provincial education departments. Monitoring visits are conducted and an annual review for 2011/12 took place during the 2012/13 financial year as required by the DoRA

The Further Education and Training (FET) Colleges conditional grant was allocated to the Department during the period under review. The purpose of the grant was to ensure the successful transfer of the FET Colleges function to the Department of Higher Education and Training. Outputs for the grant included: the enrolment of NC(V) Programmes as set out in college enrolment target planning; enrolments in Report 191 Programmes in line with the college enrolment target planning; expanding Information and Communication Technology (ICT) for teaching and learning, using connectivity norms; continued implementation of the MIS systems for the delivery of transversal MIS services; implementation of the Funding Norms for FET Colleges, upgrading, alteration, refurbishment and moderation of classrooms, workshops and laboratories; maintenance and repairs of equipment to support the delivery of approved programmes; and infrastructure development.

Transfer payments were made as originally scheduled, however, there was an instruction by National Treasury that entities which are not verified or where the names and bank account details are not the same as on Safetyweb will be rejected. This was mainly in respect of old master file supplier data that was transferred from the former Department of Education to this Department. All these supplier details had to be verified on Safetynet to be exactly the same word for word on BAS. As a result payments were rejected and had to be recaptured after the modification.

The Department did not retain any portion of the conditional grant for administration costs.

Amounts allocated to Higher Education Subsidies, the National Student Financial Aid Scheme, the Higher Education HIV and Aids Programme and the establishment of universities in Mpumalanga and Northern Cape were earmarked during the 2012/13 financial year. All these amounts were utilised for the purpose originally earmarked.

#### **Conditional grants and earmarked funds received**

None.

## Donor Funds

The tables below detail the donor funds received during the period 1 April 2012 to 31 March 2013.

**Table 5.1: Donor Funds: European Union (Claims recoverable)**

Name of donor	European Union
Full amount of funding	R141 million
Period of the commitment	2010 until 2013
Purpose of the funding	European Union Primary Education Sector Support Programme
Expected outputs	Research, programme development and materials development for Foundation Phase Teacher Education, post graduate scholarships, bursaries for initial teacher education and seeding the establishment of an academic journal and a research association for this sector
Actual outputs achieved	The strengthening of Foundation Phase Teacher Education via research, programme development and materials development
Amount received (R'000)	34 185
Monitoring mechanism by the donor	Progress reports to be submitted to the donor

**Table 5.2: Donor Funds: European Union (Cash)**

Name of donor	European Union Budget Support Programme
Full amount of funding	R60 million
Period of the commitment	1 October 2012 to 30 September 2014
Purpose of the funding	General
Expected outputs	<p><b>Part A: Policy and Research Services:</b> Implementation of the activities identified in the National Framework for Cooperation in the Provision of Career Development (Information, Advice and Guidance) Services</p> <ul style="list-style-type: none"> <li>• An advocacy and communication action plan for integrated career services in the country.</li> <li>• Guidelines and protocols for partnerships in career services.</li> <li>• A career services research agenda for the country and the commissioning of initial research on international benchmarking and impact of the services.</li> <li>• A competency framework for the provision of career services, that is specific to the South African context and in line with international standards.</li> <li>• Implementation of a plan for the establishment of a national career development forum for the country. The forum will be set up to function during 2013.</li> </ul> <p><b>Part B: System Development:</b> Further development of the National Career Advice Portal</p> <ul style="list-style-type: none"> <li>• Expand the National Career Advice Portal modules with an occupation information centre, geospatial components, a funding module and a career services advice module.</li> <li>• Expand the National Career Advice Portal content, including learning pathways and multi-media materials.</li> </ul>
Actual outputs achieved	<p>The requirements for the development of the advocacy and communication plan, the competency framework for career development practitioners and the research agenda were approved by the Career Advice Services Implementation Task Team.</p> <p>Liaison with the Departments of Basic Education (27 March 2013) and Labour (11 and 30 April 2013) to discuss the partnerships and the content of the respective protocols and guidelines.</p> <p>A concept document to develop Career Development Policy with an implementation plan was approved.</p>
Amount received (R'000)	0
Monitoring mechanism by the donor	Progress reports to be submitted to the donor.

**Table 5.3: Donor Funds: Danish Government (In Kind)**

Name of donor	Danish Government
Full amount of funding	R32 million
Period of the commitment	Up to December 2014
Purpose of the funding	To support the education and skills development programme in South Africa
Expected outputs	Assistance to 12 FET Colleges in four different provinces in improving student support services with a focus on entry, on-course and exit support. Assistance to the Department in continued development of a student support services framework on the basis of field experience and other inputs
Actual outputs achieved	Support FET Colleges in terms of finalising their funding proposals. Assessment and approval of the proposal of colleges funding
Value of donation received (R'000)	6 219
Monitoring mechanism by the donor	Progress reports to be submitted to the donor

**Table 5.4: Donor Funds: Netherlands Government (In Kind)**

Name of donor	Netherlands Government
Full amount of funding	R21.906 million
Period of the commitment	Four year period commencing in 2011/12
Purpose of the funding	To strengthen the National Certificate Vocational (NC(V)) programmes in line with the labour market demands for FET Colleges
Actual outputs achieved	Subjects such as English First Language, Life Orientation and Physical Science were reviewed. NC(V) subjects for curriculum implementation in 2014 such as Office Data and Processing Levels 2, 3, and 4, Community Practice established in Life Orientation, Fitting and Turning and Automotive were also reviewed. Lecturer training and capacity building workshops were held in November 2012, January 2013 and March 2013 on web-based lecturer support tools and Communities of Practice
Value of donation received (R'000)	2 926
Monitoring mechanism by the donor	Progress reports to be submitted to donor

**Table 5.5: Donor Funds: Netherlands Government (In Kind)**

Name of donor	Netherlands Government
Full amount of funding	R27.432 million
Period of the commitment	Four year period commencing in 2011/12
Purpose of the funding	To strengthen the Management Information Systems and Information Management processes within the Department and FET Colleges
Expected outputs	Capacity building in higher education through the Netherlands Universities Foundation for International Cooperation: Implementation of standardised business management system in 3 pilot further education and training colleges.
Actual outputs achieved	A SharePoint server was installed and training was provided to officials on the utilization of data, 2013 Annual Work Plans were approved, a week-long Dash-Board training took place for seven Departmental officials and additional FET Colleges that are going to participate in the project were identified
Value of donation received (R'000)	2 811
Monitoring mechanism by the donor	Progress reports to be submitted to donor

**Table 5.6: Donor Funds: Japanese Government (In Kind)**

Name of donor	Japanese Government
Full amount of funding	R62.154 million
Period of the commitment	August 2011 to August 2013
Purpose of the funding	To train students in productivity, soft and innovation skills through the two week Employability Improvement Project
Expected outputs	Trained students in productivity, soft and innovation skills
Actual outputs achieved	Trained students in productivity, soft and innovation skills
Value of donation received (R'000)	6 417
Monitoring mechanism by the donor	Joint monitoring system between Japan and the University where training takes place by each lecturer course, as well as student course by using a formed monitoring sheet developed by this project

**Table 5.7: Donor Funds: USAID (In Cash)**

Name of donor	USAID
Full amount of funding	R573 000
Period of the commitment	2012
Purpose of the funding	To fund Doctorate candidates from selected countries at the University of Pretoria Faculty of Law
Expected outputs	Doctorate candidates from selected countries to study at the University of Pretoria Faculty of Law
Actual outputs achieved	Doctorate candidates from selected countries studied at the University of Pretoria Faculty of Law
Amount received (R'000)	573
Amount spent by the department (R'000)	573
Reasons for the funds unspent	N/A

**Table 5.8: Donor Funds: USAID (In Cash)**

Name of donor	USAID
Full amount of funding	R309 000
Period of the commitment	2012
Purpose of the funding	To fund a certificate for officials from South Sudan Ministry of Education at the Wits University
Expected outputs	Certificate course at Wits University to three officials from South Sudan
Actual outputs achieved	Three officials from South Sudan are in the final stage of the certificate course at Wits University
Amount received (R'000)	309
Amount spent by the department (R'000)	309
Reasons for the funds unspent	N/A

**Table 5.9: Donor Funds: European Union (In Kind)**

Name of donor	European Union
Full amount of funding	Three Million Euros
Period of the commitment	Five years
Purpose of the funding	Mobility scheme for South African Masters and Doctoral students, as well as for academics and other staff members to spend part of their studies, research or working time at a European university
Expected outputs	South African Masters and Doctoral students, as well as for academics and other staff members spent part of their studies, research or working time at a European university
Actual outputs achieved	92 Masters and Doctoral students were sent to European universities as part of the Erasmus Mundus Scholarship Programme

**Table 5.10: Donor Funds: Chinese Government (In Kind)**

Name of donor	Chinese Government
Purpose of the funding	Scholarships to study at Chinese universities
Expected outputs	Students to study at Chinese universities
Actual outputs achieved	22 Students received scholarships to study at Chinese universities

**Table 5.11: Donor Funds: Russian Government (In Kind)**

Name of donor	Russian Government
Purpose of the funding	Scholarships to study marine and aeronautical engineering in Russia
Expected outputs	Students to study marine and aeronautical engineering in Russia
Actual outputs achieved	Four students received scholarships to study in Russia

**Table 5.12: Donor Funds: United Kingdom (In Kind)**

Name of donor	United Kingdom
Purpose of the funding	Sponsorship for work towards the launch of the Association of Colleges in South Africa as well as to establish partnerships between five local FET Colleges and four colleges in the United Kingdom
Expected outputs	The launch of the Association of Colleges in South Africa as well as the establishment of partnerships between five local FET Colleges and four colleges in the United Kingdom



**PART C**  
GOVERNANCE

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## PART C: GOVERNANCE

### 1. INTRODUCTION

The Department is committed to maintain the highest standards of governance. Risk assessment workshops have been conducted, a Fraud Prevention Plan is in place, an independent Internal Audit Unit is in place and a compliance office has been established.

Regular management meetings are conducted and cases of possible irregularities are followed up immediately when discovered. Controls for payment processes and segregation of duties in payment processes are in place. Policies for various matters have been developed and have been communicated to staff members.

The budget of the Department is aligned to the Strategic Plan and Annual Performance Plan of the Department and monthly budget monitoring is conducted through the monthly cash flow statements that are issued to the Minister and the Department.

Bid Committees have been established and these committees are scheduled to meet regularly.

### 2. RISK MANAGEMENT

The Department's establishment does not provide for a risk management unit although a consultant was appointed to facilitate the risk assessment in the Department. During the period under review, risk assessment workshops were conducted with all the branches in the Department to identify and assess the risks that could negatively affect the achievement of objectives. It should be noted that the proposed new organisational structure does provide for risk management.

### 3. FRAUD AND CORRUPTION

A Fraud Prevention Plan is in place as required by the Treasury Regulations to prevent and detect fraudulent activities and to protect assets and other resources from any dishonest ethical conduct. A whistle blowing policy forms part of the Fraud Prevention Plan and the Department utilises the National Public Service Anti-Corruption Hotline. During the period alleged fraudulent activities were identified by Internal Audit and a forensic investigation commenced towards the end of the financial year.

#### 4. MINIMISING CONFLICT OF INTEREST

All senior managers in the Department are compelled to declare their financial interests to the Minister on an annual basis. Furthermore, all employees of the Department are compelled to request permission from the Director-General before they do any work outside the Department that generates additional remuneration for them. All senior managers signed performance agreements on or before 31 March 2013.

#### 5. CODE OF CONDUCT

The Code of Conduct for Public Servants, developed by the Public Service Commission to promote a high standard of professional ethics in the public service, was implemented in the Department and managers ensure that all staff members adhere to it. Copies of the two Codes of Conduct for Public Servants were distributed to every official in the Department and have been fully implemented.

Employees who violated the Codes of Conduct were disciplined in terms of the Disciplinary Code and Procedures for the Public Service.

#### 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

An Occupational Health and Safety Officer, was appointed. A draft policy was compiled and will be forwarded for comment, where after it will be forwarded to the Departmental Bargaining Council for consultation before final approval. This policy will aim to create a healthy and safe working environment for all staff, visitors and contractors to the Department as far as reasonably practical.

#### 7. PORTFOLIO COMMITTEES

The Portfolio Committee on Higher Education and Training held various meetings with the Department with regard to the Strategic Plan, Annual Performance Plan, quarterly and annual reporting during the year under review. These meetings included the discussion of key policy initiatives. The following is highlighted:

- 17 April 2012: Briefing by the Department on the 2012/13 Annual Performance Plan: The Committee acknowledged that the plan reflected an improvement compared to the previous plans which did not show clear targets and time frames for the implementation of key deliverables. Whilst the plan was approved by the Committee, the Department took note and considered all comments raised during the implementation of the plan.
- 13 June 2012: Briefing by the Department on its 4<sup>th</sup> quarterly performance report for 2011/12.
- 29 August 2012: Briefing by the Department on its 1<sup>st</sup> quarterly performance report for 2012/13: Subsequent to the meeting, the Department was requested to submit the following documents/ reports which were submitted to the Committee on 5 November 2012. These included:

- Policy on SADC protocol for admission of foreign students
- List and details of all the outstanding disciplinary cases
- All the 25 approved Supply Chain Management policies
- Copy of the Advocacy Plan sent to universities
- The forensic investigation reports of the Central University of Technology
- List of Interns employed by Department from FET Colleges
- List of international agreements signed by the Department
- List of all FET Colleges under administration
- Update report on the student protest in Tshwane University of Technology
- Report on the number of foundation phase educators in training
- 16 October 2012: Briefing by the Department on its 2011/12 annual report: The Portfolio Committee requested the Department to provide a written response on the irregular expenditure of the Department for the 2011/12 financial year. The Department replied to the request on 4 December 2012 and clarified the above issues.

The following areas were dealt with during additional meetings:

- Oversight visits conducted at institutions of higher learning (FET Colleges and Universities)
  - a) Eastern Cape
  - b) Northern Cape
  - c) University of Stellenbosch (Stag Project)
- Registrations and enrolments in FET Colleges and Universities
- Higher Education and Training Laws Amendment and FET Colleges Amendment Bills
- Green Paper on Post-School Education and Training
- Joint PC on HET and Basic Education: Expectations from HET on the quality of learners produced by the schooling system
- Progress report on the establishment of new universities in Mpumalanga and Northern Cape
- Outcomes of the Independent Assessor's report on Vaal University of Technology and Central University of Technology

## 8. PRIOR MODIFICATIONS TO AUDIT REPORTS

A Compliance Unit in the Office of the CFO was established. An audit action plan for all audit enquiries was drafted and all actions are followed up on a regular basis. The number of outstanding actions has declined in relation to the previous financial year. A separate exercise where spot checks are completed is also done and findings are communicated to all Branches for corrections.

## 9. INTERNAL AUDIT UNIT

The role of the Internal Audit Unit is to provide management and the Audit Committee with independent, objective assurance and consulting services, designed to add value and improve the Department's operations. It is furthermore aimed at assisting the Department to accomplish its objectives by establishing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

The Internal Audit Unit operates with skilled personnel and functions as required by the Treasury Regulations and the Public Finance Management Act (PFMA). An audit plan was developed from the risk assessment conducted in the Department and approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the Audit Plan. Due to a lack of staff to execute all the work on the audit plan, the Department decided to make use of consultants to provide co-sourcing to assist with the audits.

### **Key activities and objectives of Internal Audit**

The objective of the internal audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Department's operations. It helps the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

The main activities of Internal Audit are:

- Compile three-year rolling Strategic and Annual Audit Plan
- Performing internal audit on the following systems:
  - Risk management systems
  - Control systems
  - Governance systems
- Report to management and the Audit Committee.

#### Audit work

The following activities as per Audit Plan were completed:

- Corporate Governance
- Transfer Payments
- Performance Information
- Personnel Administration
- Inventory and Assets
- Supply Chain Management
- Financial Services
- Other operational audits

#### **Key activities and objectives of the Audit Committee**

The objective of the Audit Committee is to assist the Accounting Officer in fulfilling oversight responsibilities regarding the financial reporting process, the system of internal control and management of risks, the audit process and the monitoring of compliance with laws and regulations and the Department's own code of business conduct.

The main activities are:

- Consider the effectiveness of the internal control systems.
- Understand the scope of internal and external auditor' review of internal control over financial reporting and obtain reports on significant findings and recommendations together with management's responses.
- Assess whether the Department's assets have been properly safeguarded and used.
- Review the Department's risk profile on an annual basis and ensure management is effectively managing the risks.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information and annually review the Annual Financial Statements and recommend its approval to the Director-General.

## 10. THE AUDIT COMMITTEE

The Audit Committee is in place and functions effectively, as required by the Treasury Regulations and the PFMA. The Audit Committee held four meetings during the period under review and was assisted by Internal Audit, who provides secretarial services.

### Attendance of audit committee meetings:

NAME	QUALIFICATIONS	INTERNAL/ EXTERNAL MEMBER	IF INTERNAL POSITION IN DEPT	DATE APPOINTED	NO. OF MEETINGS ATTENDED	DATE RESIGNED
Prof. DP van der Nest	D Tech	External		1/11/2010	4	NA
Ms S Padayachy	M Comm	External		1/11/2010	3	NA
Mr S Makhubu	CA, SA	External		6/6/2011	4	NA
Ms G Maaka-Tlokana	BA Hons	Internal	Director	1/11/2010	4	NA
Mr C Mtshisa	BA Hons	Internal	Chief Director	1/11/2010	3	NA



**PART D**

HUMAN RESOURCE MANAGEMENT

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## PART D: HUMAN RESOURCE MANAGEMENT

### OVERSIGHT REPORT

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether the Department of Higher Education and Training:

- is exercising the powers granted under Public Service and Public Finance legislation in a responsible manner,
- is achieving national transformation priorities established by the Cabinet, for example, affirmative action.

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders.

#### 1. Expenditure

*Note:* During 2012/13 a total of R81.722 million was spent on remuneration for examiners and moderators. This amount is excluded from the personnel expenditure tables as these officials are remunerated on a claim per task basis. The inclusion of this in the following tables would give a false reflection on the personnel numbers and cost in the tables.

Below the Department's budget is set out in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 1.1) and by salary bands (Table 1.2). In particular the tables provide an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

TABLE 1.1 – Personnel costs by programme, 1 April 2012 to 31 March 2013

PROGRAMME	TOTAL EXPENDITURE R'000	PERSONNEL EXPENDITURE R'000	PROFESSIONAL AND SPECIAL SERVICES R'000	TRAINING EXPENDITURE R'000	PERSONNEL COST AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
1	171 655	88 023	2 790	1 703	51.28	312.14
2	42 829	33 412	153	0	78.01	433.92
3	26 228 713	30 579	1 929	42	0.12	387.08
4	5 045 941	65 430	681	0	1.30	369.66
5	93 262	61 268	571	6	65.69	253.17
<b>Sub total</b>	<b>31 581 400</b>	<b>278 712</b>	<b>6 124</b>	<b>1 751</b>	<b>0.88</b>	<b>325.22</b>
Statutory	11 694 493	0	0	0	0.00	0.00
<b>Total</b>	<b>43 276 893</b>	<b>278 712</b>	<b>6 124</b>	<b>1 751</b>	<b>0.64</b>	<b>325.22</b>

TABLE 1.2 – Personnel costs by salary bands, 1 April 2012 to 31 March 2013

SALARY BAND	PERSONNEL EXPENDITURE R'000	% OF TOTAL PERSONNEL COST	AVERAGE PERSONNEL COST PER EMPLOYEE R'000
Lower skilled (Levels 1-2)	909	0.33	64 929
Skilled (Levels 3-5)	41 206	14.78	126 399
Highly skilled production (Levels 6-8)	55 448	19.89	252 036
Highly skilled supervision (Levels 9-12)	119 675	42.94	520 326
Senior Management (Levels 13-16)	61 474	22.06	917 522
<b>Total</b>	<b>278 712</b>	<b>100.00</b>	<b>325 218</b>

The following tables provide a summary per programme (Table 1.3) and salary bands (Table 1.4), of expenditure incurred as a result of salaries, overtime, home owner's allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**TABLE 1.3 – Salaries, Overtime, Home Owner's Allowance and Medical Assistance by programme, 1 April 2012 to 31 March 2013**

PROGRAMME	SALARIES			OVERTIME		HOME OWNER'S ALLOWANCE		MEDICAL ASSISTANCE	
	PERSONNEL COSTS R'000	AMOUNT R'000	SALARIES AS A % OF PERSONNEL COST	AMOUNT R'000	OVERTIME AS A % OF PERSONNEL COST	AMOUNT R'000	HOA AS A % OF PERSONNEL COST	AMOUNT R'000	MEDICAL ASSISTANCE AS A % OF PERSONNEL COST
1	88 023	59 731	67.68	2 094	2.38	2 043	2.32	2 957	3.36
2	33 412	23 163	69.33	0	0.00	371	1.11	649	1.94
3	30 579	20 907	68.37	55	0.18	446	1.46	816	2.67
4	65 430	44 112	67.42	1 993	3.05	1 646	2.52	2 400	3.67
5	61 268	42 023	68.59	1 722	2.81	2 294	3.74	3 568	5.82
<b>Total</b>	<b>278 712</b>	<b>189 936</b>	<b>68.15</b>	<b>5 864</b>	<b>2.10</b>	<b>6 800</b>	<b>2.44</b>	<b>10 390</b>	<b>3.73</b>

TABLE 1.4 – Salaries, Overtime, Home Owner’s Allowance and Medical Assistance by salary bands, 1 April 2012 to 31 March 2013

Salary band	Salaries			Overtime		Home Owner’s Allowance		Medical Assistance	
	Personnel costs R’000	Amount R’000	Salaries as a % of personnel cost	Amount R’000	Overtime as a % of personnel cost	Amount R’000	HOA as a % of personnel cost	Amount R’000	Medical assistance as a % of personnel cost
Lower skilled (Levels 1-2)	909	566	62.27	141	15.51	76	8.36	57	6.27
Skilled (Levels 3-5)	41 206	23 477	56.97	3 102	7.53	2 652	6.44	3 595	8.72
Highly skilled production (Levels 6-8)	55 448	35 637	64.27	1 995	3.60	1 954	3.52	3 008	5.42
Highly skilled supervision (Levels 9-12)	119 675	84 452	70.57	626	0.52	1 582	1.32	3 118	2.61
Senior Management (Levels 13-16)	61 474	45 804	74.51	0	0.00	536	0.87	612	1.00
<b>Total</b>	<b>278 712</b>	<b>189 936</b>	<b>68.15</b>	<b>5 864</b>	<b>2.10</b>	<b>6 800</b>	<b>2.44</b>	<b>10 390</b>	<b>3.73</b>

## 2. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:-programme (Table 2.1), salary band (Table 2.2) and critical occupation (Table 2.3). Departments have identified critical occupations that need to be monitored. Table 2.3 provides establishment and vacancy information for the key critical occupations of the Department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 2.1 – Employment and vacancies by programme, 31 March 2013

Programme	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
1	283	282	0.35	10
2	96	77	19.79	1
3	110	79	28.18	0
4	251	177	29.48	4
5	339	242	24.43	2
<b>Total</b>	<b>1 079</b>	<b>857</b>	<b>20.57</b>	<b>17</b>

**Note:** Due to the newness of the Department it was necessary to implement additional posts to the staff establishment in which to appoint officials to perform the related tasks. Once the vacant posts have been filled the posts will be removed from the establishment.

TABLE 2.2 – Employment and vacancies by salary bands, 31 March 2013

Salary band	Number of posts	Number of posts filled	Vacancy rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	14	14	0	0
Skilled (Levels 3-5)	396	326	17.67	3
Highly skilled production (Levels 6-8)	270	220	18.51	4
Highly skilled supervision (Levels 9-12)	325	230	28.61	2
Senior Management (Levels 13-16)	74	67	9.45	8
<b>Total</b>	<b>1 079</b>	<b>857</b>	<b>20.57</b>	<b>17</b>

**TABLE 2.3 – Employment and vacancies by critical occupation, 31 March 2013**

Critical occupation	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Educators (Level 9-12)	14	14	0	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0</b>

The information in each case reflects the situation as at 31 March 2013. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.

*Note:* The Department was created with effect from 1 April 2010. During 2010/11 and 2011/12 and 2012/13 the Department was in a process of filling critical posts. The main functions of the Department are policy formulation and implementation where different kinds of skills are necessary at different stages. The specialised nature of work in most of the areas of the Department necessitates the use of highly skilled people who are at some stages not readily available for permanent appointment and have to be appointed on contract for periods as may be required. The Department also seconds highly skilled professionals from tertiary institutions and other organisations to address specific needs that arise. These people are appointed against posts on the fixed staff establishment of the Department for short periods, for example three to six months. The above practice might create the impression of a higher than normal staff turnover which is in fact not the case.

### 3. Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their organisations. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled.

The following table (Table 3.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 3.1 – Job Evaluation, 1 April 2012 to 31 March 2013

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	14	0	0	0	0	0	0
Skilled (Levels 3-5)	396	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	270	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	325	0	0	0	0	0	0
Senior Management Service Band A (Level 13)	49	0	0	0	0	0	0
Senior Management Service Band B (Level 14)	18	0	0	0	0	0	0
Senior Management Service Band C (Level 15)	6	0	0	0	0	0	0
Senior Management Service Band D (Level 16)	1	0	0	0	0	0	0
<b>Total</b>	<b>1 079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

**TABLE 3.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2012 to 31 March 2013**

BENEFICIARIES	AFRICAN	INDIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with disabilities</b>					<b>0</b>

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation.

**TABLE 3.3 – Employees whose salary level exceeds the grade determined by job evaluation, 1 April 2012 to 31 March 2013 (in terms of PSR 1.V.C.3)**

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR DEVIATION
-	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation in 2012/13				0
<b>Percentage of total employment</b>				<b>0</b>

Table 3.4 summarises the beneficiaries of the above in terms of race, gender and disability.

**TABLE 3.4 – Profile of employees whose salary level exceeds the grade determined by job evaluation, 1 April 2012 to 31 March 2013 (in terms of PSR 1.V.C.3)**

BENEFICIARIES	AFRICAN	INDIAN	COLOURED	WHITE	TOTAL
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>					<b>0</b>

#### 4. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 4.1) and by critical occupations (Table 4.2). (These “critical occupations” should be the same as those listed in Table 2.3)

**TABLE 4.1 – Annual turnover rates by salary band for the period 1 April 2012 to 31 March 2013**

SALARY BAND	NUMBER OF EMPLOYEES PER BAND AS ON 1 APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE %
Lower skilled (Levels 1-2)	13	13	0	0.00
Skilled (Levels 3-5)	319	54	50	15.67
Highly skilled production (Levels 6-8)	209	49	16	7.66
Highly skilled supervision (Levels 9-12)	241	51	31	12.86
Senior Management Service Band A (Level 13)	43	13	8	18.60
Senior Management Service Band B (Level 14)	14	4	3	21.42
Senior Management Service Band C (Level 15)	3	1	0	0.00
Senior Management Service Band D (Level 16)	1	0	0	0.00
<b>Total</b>	<b>843</b>	<b>185</b>	<b>108</b>	<b>12.81</b>

**TABLE 4.2 – Annual turnover rates by critical occupation for the period 1 April 2012 to 31 March 2013**

OCCUPATION	NUMBER OF EMPLOYEES PER OCCUPATION AS ON 1 APRIL 2012	APPOINTMENTS AND TRANSFERS INTO THE DEPARTMENT	TERMINATIONS AND TRANSFERS OUT OF THE DEPARTMENT	TURNOVER RATE %
Educators (Level 9-12)	17	1	4	23.53
<b>Total</b>	<b>17</b>	<b>1</b>	<b>4</b>	<b>23.53</b>

Table 4.3 identifies the major reasons why staff left the Department.

**TABLE 4.3 – Reasons why staff are leaving the Department**

TERMINATION TYPE	NUMBER	% OF TOTAL
Death	4	0.47
Resignation	25	2.92
Transfers to other Public Service Departments	9	1.05
Expiry of contract	46	5.37
Employee initiated severance packages	0	0
Discharge due to ill health	0	0
Dismissal – misconduct	6	0.70
Retirement	13	1.52
Early retirement	5	0.58
<b>Total</b>	<b>108</b>	<b>12.60</b>

TABLE 4.4 – Promotions by critical occupation

OCCUPATION	EMPLOYEES AS ON 1 APRIL 2012	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY OCCUPATION
Educators (Level 9-12)	17	0	0	16	94.12
<b>Total</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>94.12</b>

TABLE 4.5 – Promotions by salary band

SALARY BAND	EMPLOYEES AS ON 1 APRIL 2012	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY BANDS PROMOTIONS AS A % OF EMPLOYEES BY SALARY LEVEL	PROGRESSIONS TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY SALARY BAND
Lower skilled (Levels 1-2)	13	0	0	9	69.23
Skilled (Levels 3-5)	319	3	0.94	211	66.14
Highly skilled production (Levels 6-8)	209	22	10.53	131	62.68
Highly skilled supervision (Levels 9-12)	241	22	9.13	168	69.71
Senior Management (Levels 13-16)	61	6	9.84	41	67.21
<b>Total</b>	<b>843</b>	<b>53</b>	<b>6.29</b>	<b>560</b>	<b>66.43</b>

## 5. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**TABLE 5.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2013**

OCCUPATIONAL CATEGORY (SASCO)	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Senior Managers (Level 13-16)	21	4	1	8	16	1	4	12	67
Educators and Middle Managers (Level 9-12)	89	3	4	27	85	1	2	19	230
Officers and Senior Clerks, Machine Operators (Level 4-8)	145	5	0	6	204	6	2	35	403
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security) (Level 1-3)	83	1	0	2	71	0	0	0	157
<b>Total</b>	<b>338</b>	<b>13</b>	<b>5</b>	<b>43</b>	<b>376</b>	<b>8</b>	<b>8</b>	<b>66</b>	<b>857</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>9</b>

TABLE 5.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2013

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (Level 15-16)	1	0	1	1	2	0	0	0	5
Senior Management (Level 13-14)	20	4	0	7	14	1	4	12	62
Educators and Middle Managers (Level 9-12)	89	3	4	27	85	1	2	19	230
Skilled and academically qualified workers (Level 6-8)	54	5	0	5	117	5	2	32	220
Semi-skilled and discretionary decision making (Level 3-5)	171	1	0	3	147	1	0	3	326
Unskilled and defined decision making (Level 1-2)	3	0	0	0	11	0	0	0	14
<b>Total</b>	<b>338</b>	<b>13</b>	<b>5</b>	<b>43</b>	<b>376</b>	<b>8</b>	<b>8</b>	<b>66</b>	<b>857</b>

TABLE 5.3 – Recruitment for the period 1 April 2012 to 31 March 2013

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (Level 15-16)	0	0	0	0	1	0	0	0	1
Senior Management (Level 13-14)	7	0	0	3	2	0	0	3	15
Educators and Middle Managers (Level 9-12)	12	0	0	0	6	0	1	0	19
Skilled and academically qualified workers (Level 6-8)	5	0	0	0	13	0	1	0	19
Semi-skilled and discretionary decision making (Level 3-5)	11	0	0	0	10	0	0	0	21
Unskilled and defined decision making (Level 1-2)	2	0	0	0	6	0	0	0	8
<b>Total</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>38</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>83</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Due to the fact that not all the vacant posts are funded, the vacancy rate is affected negatively

TABLE 5.4 – Promotions for the period 1 April 2012 to 31 March 2013

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (Level 15-16)	0	0	0	0	0	0	0	0	0
Senior Management (Level 13-14)	0	0	0	0	0	1	0	1	2
Educators and Middle Managers (Level 9-12)	0	0	0	0	0	1	0	0	1
Skilled and academically qualified workers (Level 6-8)	4	0	0	0	8	0	1	1	14
Semi-skilled and discretionary decision making (Level 3-5)	3	0	0	0	1	0	0	0	4
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>21</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



TABLE 5.5 – Terminations for the period 1 April 2012 to 31 March 2013

OCCUPATIONAL BAND	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Top Management (Level 15-16)	0	0	0	0	1	0	0	0	0
Senior Management (Level 13-14)	4	1	0	2	3	0	0	1	11
Educators and Middle Managers (Level 9-12)	11	0	1	5	6	0	0	8	31
Skilled and academically qualified workers (Level 6-8)	1	0	0	1	9	0	0	5	16
Semi-skilled and discretionary decision making (Level 3-5)	20	0	0	1	28	0	0	1	50
Unskilled and defined decision making (Level 1-2)	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>36</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>108</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

TABLE 5.6 – Disciplinary action for the period 1 April 2012 to 31 March 2013

TYPE OF DISCIPLINARY ACTION	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Final written warning	1	0	0	0	0	0	0	0	0
Suspension with pay	0	0	0	0	0	0	0	0	0
Dismissal	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

TABLE 5.7 – Skills development for the period 1 April 2012 to 31 March 2013

OCCUPATIONAL CATEGORY	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
Senior Managers (Level 13-16)	4	0	0	1	13	0	1	3	22
Educators and Middle Managers (Level 9-12)	17	0	0	1	29	1	0	1	49
Officers and Clerks (Level 4-8)	52	0	0	2	64	0	1	4	123
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security) (Level 1-3)	15	0	0	2	36	0	0	0	53
<b>Total</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>142</b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>247</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 6. Signing of Performance Agreements by SMS Members

The following tables indicate the numbers and percentages of SMS members who signed performance agreements as on 31 July 2012 (Table 6.1), reasons for not having concluded performance agreements (Table 6.2) and disciplinary steps taken against SMS members for not having concluded performance agreements (Table 6.3).

**TABLE 6.1 – Signing of performance agreements by SMS members as on 31 July 2012**

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS PER LEVEL	TOTAL NUMBER OF SMS MEMBERS PER LEVEL	TOTAL NUMBER OF SIGNED PERFORMANCE AGREEMENTS PER LEVEL	SIGNED PERFORMANCE AGREEMENTS AS % OF TOTAL NUMBER OF SMS MEMBERS PER LEVEL
Director-General (Level 16)	1	1	1	100
SMS level 16 but not HOD	1	1	0	0
Deputy Director-General (Level 15)	5	4	1	25
Chief Director (Level 14)	17	17	17	100
Director (Level 13)	39	39	39	100
<b>Total</b>	<b>63</b>	<b>62</b>	<b>58</b>	<b>93.54</b>

**TABLE 6.2 – Reasons for not having concluded performance agreements for all SMS members as on 31 July 2012**

1. The Senior Management System Member's job descriptions were changed and redefining the responsibilities was not finalised as at 31 July 2012
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**TABLE 6.3 – Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 July 2012**

1. None
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## 7. Filling of SMS posts

The following tables indicate the number of SMS posts filled and vacant as on 31 March 2013 (Table 7.1), as on 30 September 2012 (Table 7.2), advertising and filling of SMS posts as on 31 March 2013 (Table 7.3), reasons for not having filled vacant posts (Table 7.4) and disciplinary steps taken for not complying.

**TABLE 7.1 – SMS posts information as on 31 March 2013**

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS PER LEVEL	TOTAL NUMBER OF SMS POSTS FILLED PER LEVEL	% OF SMS POSTS FILLED PER LEVEL	TOTAL NUMBER OF SMS POSTS VACANT PER LEVEL	% OF SMS POSTS VACANT PER LEVEL
Director-General (Level 16)	1	1	100.00	0	0
Deputy Director-General (Level 15)	6	4	66.67	2	33.33
Chief Director (Level 14)	18	16	88.88	2	11.11
Director (Level 13)	49	46	93.87	3	6.12
<b>Total</b>	<b>74</b>	<b>67</b>	<b>90.54</b>	<b>7</b>	<b>9.45</b>

TABLE 7.2 – SMS posts information as on 30 September 2012

SMS LEVEL	TOTAL NUMBER OF FUNDED SMS POSTS PER LEVEL	TOTAL NUMBER OF SMS POSTS FILLED PER LEVEL	% OF SMS POSTS FILLED PER LEVEL	TOTAL NUMBER OF SMS POSTS VACANT PER LEVEL	% OF SMS POSTS VACANT PER LEVEL
Director-General (Level 16)	1	1	100.00	0	0
Deputy Director-General (Level 15)	6	4	66.67	2	33.33
Chief Director (Level 14)	18	15	83.33	3	16.66
Director (Level 13)	49	46	93.87	3	6.12
<b>Total</b>	<b>74</b>	<b>66</b>	<b>89.18</b>	<b>8</b>	<b>10.81</b>

TABLE 7.3 – Advertising and filling of SMS posts as on 31 March 2013

SMS LEVEL	ADVERTISING	FILLING OF POSTS	
	NUMBER OF VACANCIES PER LEVEL ADVERTISED IN 6 MONTHS OF BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL FILLED IN 6 MONTHS AFTER BECOMING VACANT	NUMBER OF VACANCIES PER LEVEL NOT FILLED IN 6 MONTHS BUT FILLED IN 12 MONTHS
Director-General (Level 16)	0	0	0
Deputy Director-General (Level 15)	2	0	1
Chief Director (Level 14)	3	2	2
Director (Level 13)	16	11	0
<b>Total</b>	<b>21</b>	<b>13</b>	<b>3</b>

**TABLE 7.4 – Reasons for not having complied with the filling of funded vacant SMS posts – advertised within 6 months and filled within 12 months after becoming vacant**

Reasons for vacancies not being advertised within 6 months:
1. Financial constraints
Reasons for vacancies not being filled within 12 months:
1. Candidates were short-listed and interviewed but were not found to be suitable for the particular posts. 2. The posts were readvertised. 3. Candidates who were successful got a counter offer and did not accept the post

**TABLE 7.5 – Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

1. None
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## 8. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender and disability (Table 8.1), salary bands (Table 8.2) and critical occupations (Table 8.3).

TABLE 8.1 – Performance rewards by race, gender, and disability, 1 April 2012 to 31 March 2013

RACE	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP	% OF TOTAL WITHIN GROUP	COST R'000	AVERAGE COST PER EMPLOYEE R'000
<b>African</b>					
Male	37	338	10.95	724	20
Female	41	376	10.90	719	18
<b>Indian</b>					
Male	3	5	60.00	72	24
Female	1	8	12.50	76	76
<b>Coloured</b>					
Male	3	13	23.08	160	53
Female	2	8	25.00	7	4
<b>White</b>					
Male	7	43	16.30	313	45
Female	13	66	19.70	553	43
<b>Total</b>	<b>107</b>	<b>857</b>	<b>12.49</b>	<b>2 624</b>	<b>25</b>

TABLE 8.2 – Performance rewards by salary bands for personnel below Senior Management Service, 1 April 2012 to 31 March 2013

SALARY BAND	BENEFICIARY PROFILE				COST		
	TOTAL PERSONNEL EXPENDITURE FOR LEVEL R'000	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST R'000	AVERAGE COST PER EMPLOYEE R'000	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
Lower skilled (Levels 1-2)	909	0	14	0.00	0	0	0.00
Skilled (Levels 3-5)	41 206	13	326	39.88	61	5	0.15
Highly skilled production (Levels 6-8)	55 448	20	220	9.09	160	8	0.29
Highly skilled supervision (Levels 9-12)	119 675	59	225	26.22	1 246	21	1.04
<b>Total</b>	<b>127 238</b>	<b>92</b>	<b>785</b>	<b>11.72</b>	<b>1 461</b>	<b>34</b>	<b>1.15</b>



TABLE 8.3 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

*Note: This task has not been finalized for the 2012/13 assessment year and only the following figures are currently available.*

SALARY BAND	BENEFICIARY PROFILE				COST		
	TOTAL PERSONNEL EXPENDITURE FOR LEVEL R'000	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN BAND	TOTAL COST R'000	AVERAGE COST PER EMPLOYEE R'000	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
(Level 13- 16)	61 474	15	67	23.88	1 175	78	1.91
<b>Total</b>	<b>61 474</b>	<b>15</b>	<b>67</b>	<b>23.88</b>	<b>1 175</b>	<b>78</b>	<b>1.91</b>

## 9. Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

**TABLE 9.1 – Foreign workers, 1 April 2012 to 31 March 2013, by salary band**

SALARY BAND	1 APRIL 2012		31 MARCH 2013		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
<b>Total</b>	0	0	0	0	0	0

**TABLE 9.2 – Foreign workers, 1 April 2012 to 31 March 2013, by major occupation**

MAJOR OCCUPATION	1 APRIL 2012		31 MARCH 2013		CHANGE	
	NUMBER	% OF TOTAL	NUMBER	% OF TOTAL	NUMBER	% CHANGE
Educators	0	0.00	0	0.00	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

## 10. Leave utilisation for the period 1 January 2012 to 31 December 2012

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 10.1) and disability leave (Table 10.2). In both cases, the estimated cost of the leave is also provided.

**Note: The following tables include all staff i.e: Interns, contract appointees and consultants**

TABLE 10.1 – Sick leave, 1 January 2012 to 31 December 2012

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST R'000	TOTAL NUMBER OF DAYS WITH MEDICAL CERTIFICATION
Lower skilled (Levels 1-2)	163	44.17	59	7.54	3	30	72
Skilled (Levels 3-5)	1 753	68.97	271	34.61	6	577	1 209
Highly skilled production (Levels 6-8)	1 356	73.45	191	24.39	7	877	996
Highly skilled supervision (Levels 9-12)	1 315	72.32	210	26.82	6	1 963	951
Senior Management (Levels 13-16)	366	82.51	52	6.64	7	1 112	302
<b>Total</b>	<b>4 953</b>	<b>71.27</b>	<b>783</b>	<b>100.00</b>	<b>6</b>	<b>4 559</b>	<b>619</b>

TABLE 10.2 – Disability leave (temporary and permanent), 1 January 2012 to 31 December 2012

SALARY BAND	TOTAL DAYS TAKEN	% DAYS WITH MEDICAL CERTIFICATION	NUMBER OF EMPLOYEES USING DISABILITY LEAVE	% OF TOTAL EMPLOYEES USING DISABILITY LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST R'000	TOTAL NUMBER OF DAYS WITH MEDICAL CERTIFICATE
Lower skilled (Levels 1-2)	0	0.00	0	0.00	0	0	0
Skilled (Levels 3-5)	56	100.00	11	24.44	5	18	56
Highly skilled production (Levels 6-8)	262	100.00	20	44.44	13	163	262
Highly skilled supervision (Levels 9-12)	185	0.99	9	20.00	21	287	183
Senior Management (Levels 13-16)	118	100.00	5	11.11	24	329	118
<b>Total</b>	<b>621</b>	<b>57.49</b>	<b>45</b>	<b>100.00</b>	<b>14</b>	<b>797</b>	<b>619</b>

Table 10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**TABLE 10.3 – Annual leave, 1 January 2012 to 31 December 2012**

SALARY BAND	TOTAL DAYS TAKEN	AVERAGE DAYS PER EMPLOYEE	NUMBER OF EMPLOYEES WHO TOOK LEAVE
Lower skilled (Levels 1-2)	1 164	9	126
Skilled (Levels 3-5)	7 783	22	361
Highly skilled production (Levels 6-8)	5 111	22	236
Highly skilled supervision (Levels 9-12)	5 704	21	269
Senior Management (Levels 13-16)	1 701	20	85
<b>Total</b>	<b>21 463</b>	<b>20</b>	<b>1 077</b>

**TABLE 10.4 – Capped leave, 1 January 2012 to 31 December 2012**

SALARY BAND	TOTAL DAYS OF CAPPED LEAVE TAKEN	AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS AT 31 DECEMBER 2012	NUMBER OF EMPLOYEES WHO TOOK CAPPED LEAVE	TOTAL NUMBER OF CAPPED LEAVE AVAILABLE ON 31 DECEMBER 2012	NUMBER OF EMPLOYEES WITH CAPPED LEAVE AS AT 31 DECEMBER 2012
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	20	5	20	4	2 226	109
Highly skilled production (Levels 6-8)	35	6	26	6	1 997	77
Highly skilled supervision (Levels 9-12)	13	3	45	4	4 453	99
Senior Management (Levels 13-16)	2	2	46	1	1 462	32
<b>Total</b>	<b>70</b>	<b>5</b>	<b>32</b>	<b>15</b>	<b>10 138</b>	<b>317</b>

**TABLE 10.5 – Leave payouts for the period 1 April 2012 to 31 March 2013**

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE
Capped leave payout on termination of service	195	17	11 471
<b>Total</b>	<b>195</b>	<b>17</b>	<b>11 471</b>

## 11. HIV and Aids and Health Promotion Programmes

**TABLE 11.1 – Steps taken to reduce the risk of occupational exposure**

UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
None	Education awareness and prevention programmes
	Distribution of universal precautions
	First aid kits installed on all floors of the building
	Condom distribution

**TABLE 11.2 – Details of Health Promotion and HIV and Aids Programmes (tick the applicable boxes and provide the required information)**

QUESTION	YES	NO	DETAILS, IF YES
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr B Masuku
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		1 official
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		To assist employees with task-related and personal problems.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Departmental HIV/Aids committee
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		Leave Policy Employee Assistance Programme Policy Recruitment Policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		HIV and Aids and TB management Policy HIV and Aids Workplace programme

QUESTION	YES	NO	DETAILS, IF YES
7. Does the Department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	Yes		Through HCT campaign the uptake of officials underwent pretest counseling was <b>506</b> and those who tested were <b>302</b> . HCT campaign is conducted quarterly, which will ensure that officials keep their status and be able to live a healthy life.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Training in First Aid Programmes Distribution of condoms Protective gloves distribution Awareness campaign Information session Distribution of booklets and pamphlets on HIV and Aids Introduced wellness programmes i.e. soccer and netball

## 12. Labour Relations

The following collective agreements were entered into with trade unions within the Department.

**TABLE 12.1 – Collective agreements, 1 April 2012 to 31 March 2013**

SUBJECT MATTER	DATE
-None	-



The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

**TABLE 12.2 – Misconduct and disciplinary hearings finalised, 1 April 2012 to 31 March 2013**

OUTCOME OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
Correctional counselling	0	0.00
Verbal warning	0	0.00
Written warning	0	0.00
Final written warning	4	22.22
Suspended without pay	3	16.67
Fine	0	0.00
Demotion	0	0.00
Dismissal	10	55.56
Not guilty	1	5.56
Case withdrawn	0	0.00
<b>Total</b>	<b>18</b>	<b>100.00</b>

**TABLE 12.3 – Types of misconduct addressed at disciplinary hearings for the period 1 April 2012 to 31 March 2013**

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
Mismanagement of funds	6	85.71
Negligently cause loss of state property	1	14.29
<b>Total</b>	<b>7</b>	<b>100.00</b>

**TABLE 12.4 – Grievances lodged for the period 1 April 2012 to 31 March 2013**

	NUMBER	% OF TOTAL
Number of grievances resolved	0	0.00
Number of grievances not resolved	9	100.00
<b>Total number of grievances lodged</b>	<b>9</b>	<b>100.00</b>

**TABLE 12.5 – Disputes lodged with Councils for the period 1 April 2012 to 31 March 2013**

	NUMBER	% OF TOTAL
Number of disputes upheld	4	80.00
Number of disputes dismissed	0	0.00
Number of dispute outstanding	1	20.00
<b>Total number of disputes lodged</b>	<b>5</b>	<b>100.00</b>

**TABLE 12.6 – Strike actions for the period 1 April 2012 to 31 March 2013**

Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**TABLE 12.7 – Precautionary suspensions for the period 1 April 2012 to 31 March 2013**

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	195
Cost (R'000) of suspensions	491 956.08

### 13 Skills development

This section highlights the efforts of the Department with regard to skills development.

**TABLE 13.1- Training needs identified 1 April 2012 to 31 March 2013**

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL NUMBER OF COURSES
Senior Managers (Level 13-16)	Female	25	15	<ul style="list-style-type: none"> <li>• Mentoring and Coaching;</li> <li>• Leadership for Good Governance;</li> <li>• Media Training</li> <li>• Strategic Planning and Management.</li> </ul>		4
	Male	36	16	<ul style="list-style-type: none"> <li>• Mentoring and Coaching;</li> <li>• Leadership for Good Governance;</li> <li>• Media Training</li> <li>• Strategic Planning and Management.</li> </ul>		4

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL NUMBER OF COURSES
Educators and Middle Managers (Level 9-12)	Female	107	17	<ul style="list-style-type: none"> <li>• Outcomes-based Monitoring and Evaluation (Assessment and Moderating);</li> <li>• Public Financial Management for Non-Financial Managers;</li> <li>• Auditing Performance Information;</li> <li>• Advanced Management Development Programme: NQF 6/92 Credits;</li> <li>• Mentoring and Coaching: NQF 4/ 3 Credits;</li> <li>• Quality Management;</li> <li>• Advanced Air Breaks;</li> <li>• Policy Management and Analysis;</li> <li>• Supervisory Skills;</li> <li>• Database Management;</li> <li>• Supply Chain and Asset Management: 5 Days/ NQF 6/ 16 Credits;</li> <li>• Outcomes –based Monitoring and Evaluation;</li> <li>• Management and Development programme: NQF 6/ 92 Credits;</li> <li>• Public Management Course;</li> <li>• Policy Management, Implementation Analysis;</li> <li>• Project Management: NQF 5/ 12 Credits;</li> <li>• Business Writing Skills and Reporting Skills: NQF 4/ 5 Credits;</li> <li>• Advanced Statistics;</li> <li>• Presentation Skills: NQF 4/ 2 Credits</li> </ul>		20
	Male	134	41	<ul style="list-style-type: none"> <li>• Project Management;</li> <li>• Advanced Statistics.</li> </ul>		13

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL NUMBER OF COURSES
Officers, Clerks and Machine Operators (Level 3-8)	Female	244	<b>107</b>	<ul style="list-style-type: none"> <li>• Office Management;</li> <li>• Project Management;</li> <li>• Logistics Management;</li> <li>• Job Evaluation;</li> <li>• Customer Care;</li> <li>• Business and Report Writing;</li> <li>• Supply Chain Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Hospitality course</li> </ul>	<b>7</b>
	Male	153	<b>66</b>	<ul style="list-style-type: none"> <li>• Public Financial Management for Non-Financial Managers;</li> <li>• Public Financial Management Act;</li> <li>• Business Writing Skills and Report Skills;</li> <li>• Database Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Air-conditioning Course</li> <li>• Skills Programme</li> <li>• Plumbing</li> <li>• Electrical Skills Course</li> <li>• Entrepreneurship Development</li> <li>• Forklift drivers Licence</li> <li>• First Aid level 1</li> <li>• Millwright course</li> <li>• Plumbing</li> <li>• Spray paint skills programme</li> <li>• Carpentry</li> <li>• Welding course</li> </ul>	<b>16</b>

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL NUMBER OF COURSES
Elementary occupations (Cleaners, Messengers, Food services Aids, Security, Interns) (Level 1-2)	Female	61	52	<ul style="list-style-type: none"> <li>• Public Financial Management Act;</li> <li>• Business Writing Skills and Report Skills;</li> </ul>		2
	Male	83	60	<ul style="list-style-type: none"> <li>• Office Management;</li> <li>• Project Management;</li> <li>• Logistics Management;</li> <li>• Job Evaluation;</li> <li>• Customer Care;</li> <li>• Business and Report Writing;</li> <li>• Diversity Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Fire arm competency</li> <li>• Bricklaying course</li> <li>• ABET</li> </ul>	10
Sub Total	Female	437	191			
	Male	406	183			
Total		843	374			

TABLE 13.2- Training provided 1 April 2012 to 31 March 2013

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Senior Managers (Level 13-16)	Female	25	17	<ul style="list-style-type: none"> <li>• Mentoring and Coaching;</li> <li>• Leadership for Good Governance;</li> <li>• Media Training;</li> <li>• Strategic Planning and Management.</li> </ul>		4
	Male	36	5	<ul style="list-style-type: none"> <li>• Leadership for Good Governance Media Training;</li> <li>• Strategic Planning and Management.</li> </ul>		2
Educators and Middle Managers (Level 9-12)	Female	107	31	<ul style="list-style-type: none"> <li>• Advanced Management Development Programme;</li> <li>• Business Writing Skills;</li> <li>• Mentoring and Coaching;</li> <li>• Supply Chain Management;</li> <li>• Finance for Non-Financial Managers;</li> <li>• Diversity Management;</li> <li>• Job Evaluation.</li> </ul>	Protocol and Diplomacy	8
	Male	134	18	<ul style="list-style-type: none"> <li>• Advanced Management Development Programme;</li> <li>• Business Writing Skills;</li> <li>• Mentoring and Coaching;</li> <li>• Supply Chain Management;</li> <li>• Finance for Non-Financial Managers;</li> <li>• Diversity Management;</li> <li>• Job Evaluation.</li> </ul>	Protocol and Diplomacy	8
Officers, Clerks and Machine Operators (Level 3-8)	Female	244	69			
	Male	153	54			

OCCUPATIONAL CATEGORY	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2012	TRAINING PROVIDED WITHIN THE REPORTING PERIOD			
			NUMBER OF EMPLOYEES IDENTIFIED FOR TRAINING	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
Elementary occupations (Cleaners, Messengers, Food Services Aids, Security, Interns) (Level 1-2)	Female	61	36	<ul style="list-style-type: none"> <li>• Customer Care;</li> <li>• Business and Report Writing;</li> <li>• Supply Chain Management;</li> <li>• Diversity Management;</li> <li>• Project Management;</li> <li>• Logistics Management;</li> <li>• Job Evaluation;</li> <li>• Office Management.</li> </ul>	Protocol and Diplomacy	9
	Male	83	17	<ul style="list-style-type: none"> <li>• Customer Care;</li> <li>• Business and Report Writing;</li> <li>• Supply Chain Management;</li> <li>• Diversity Management;</li> <li>• Project Management;</li> <li>• Logistics Management;</li> <li>• Job Evaluation;</li> <li>• Office Management</li> </ul>	Protocol and Diplomacy Drivers Licence	10
Sub total	Female	437	153			
	Male	406	94			
Total		843	247			



#### 14. Injury on duty

The following table provides basic information on injuries on duty.

**TABLE 14.1 – Injury on duty, 1 April 2012 to 31 March 2013**

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
Required basic medical attention only	2	100.00
Temporary Total Disablement	0	0.00
Permanent Disablement	0	0.00
Fatal	0	0.00
<b>Total</b>	<b>2</b>	<b>100.00</b>

#### 15. Employee initiated severance packages

The Minister for the Public Service and Administration (MPSA) has with effect from 1 January 2006 in terms of section 3(3)(c) of the Public Service Act, 1994, as amended, issued a determination on the introduction of an employee initiated severance package (EISP) for employees. The procedure relevant to the granting of an EISP to an employee entails that the comments of the MPSA must first be obtained before departments make a final decision in this regard. The following table provides information in respect of EISP granted during the period 1 April 2012 to 31 March 2013.

TABLE 15.1- Granting of employee initiated severance packages, 1 April 2012 to 31 March 2013

SALARY BAND	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS REFERRED TO THE MPSA	NUMBER OF APPLICATIONS SUPPORTED BY MPSA	NUMBER OF PACKAGES APPROVED BY DEPARTMENT
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior Management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 16. Utilisation of Consultants

**TABLE 16. 1- Report on consultant appointments using appropriated funds for the period 1 April 2012 to 31 March 2013**

*Note:* In cases where companies were granted the tender, the number of consultants and duration of work days spent on the tasks is unknown and is indicated as unknown in the following tables.

PROJECT TITLE/ DESCRIPTION OF TASK	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND (R,000)
Some internal audit functions for DHET	Ernst & Young Advisory Services (Pty) Ltd 8 Consultants	01/09/2012 - 30/11/2012	482 767.00
Request for service providers to perform some internal audit functions for the DHET for a period of 1 year	Ernst & Young Advisory Services (Pty) Ltd 20 Consultants	14/12/2012 - 13/11/2013	2 693 250.00
Request to appoint a services provider to provide a central application call centre for DHET for a period of four to six months	I-Choice Call Centre 60 Consultants	04/01/2013 - 30/04/2013	5 914 377.00
A programme on organisational culture, work ethic and change management	Lungisa Project Consultancy 3 Consultants	12/12/2012 - 11/06/2013	767 500.00
Technical assistant to develop specifications for the construction of offices for the department and manage the project on behalf of DHET	Focus LDM Project Solutions 5 Consultants	11/2012 until construction specifications are finalised	735.30 p/h/resource type (Architect, Engineer, QS, Planner)

**TABLE 16.2: Report on consultant appointments using Donor funds**

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	DONOR AND CONTRACT VALUE IN RAND (R,000)
Request to support it in shifting of two functions that is, Adult Basic Education and Training and FET Colleges from Provincial Departments	Technical Assistant Unit (TAU) (n/a)	16/06/2012 – 30/11/2013	NSF DONOR 1 500 000.00
Resourcing the special projects office of the Department of Higher Education and Training	Core Focus (Pty) Ltd 1 Consultant	09/09/2012 – 31/03/2013	NSF DONOR 368 537.29
Request for proposal to manage funds for the Human Resources Development Council of South Africa (HRDCSA) on behalf of the National Skills Fund for a period of one year.	Centre for Education Policy Development 5 Consultants	01/06/2012 – 28/06/2013	NSF DONOR 6%
Request for proposal to manage funds for the Human and Social Science project (HSS) on behalf of Department of Higher Education and Training	Centre for Education Policy Development 5 Consultants	05/06/2012 -04/06/2013	NSF DONOR 7%
Support to DHET: Skills Development Branch	Mzabalazo Advisory 1 Consultant	01/05/2013 – 30/04/2014	NSF DONOR 1 137 847.00

**TABLE 16.3: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)**

PROJECT TITLE	PERCENTAGE OWNERSHIP BY HDI GROUPS	PERCENTAGE MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORK ON THE PROJECT
Request to support it in shifting of two functions that is, Adult Basic Education and Training and FET Colleges from Provincial Departments. Technical Assistant Unit (TAU)	TAU	TAU	n/a
Support to DHET: Skills Development Branch. Mzabalazo Advisory	100	100	1 Consultant
Resourcing the special projects office of the Department of Higher Education and Training. Core Focus (Pty) Ltd	n/a SITA Contract	n/a SITA Contract	1 Consultant
Request for proposal to manage funds for the Human Resources Development Council of South Africa (HRDCSA) on behalf of the National Skills Fund for a period of one year. Centre for Education Policy Development (CEPD)	NGO	100	5 Consultants
Request for proposal to manage funds for the Human and Social Science project (HSS) on behalf of Department of Higher Education and Training. Centre for Education Policy Development (CEPD)	NGO	100	5 Consultants



**PART E**  
FINANCIAL INFORMATION

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## REPORT OF AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2013.

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The audit committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. During the current year four meetings were held.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Prof. DP van der Nest	4
Ms S Padayachy	3
Mr S Makhubu	4
Ms G Maaka-Tlokana	4
Mr C Mtshisa	3

### AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a) of the Public Finance Management Act and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its committee charter, has conducted its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal control is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. In line with the PFMA requirements, Internal Audit and the Auditor-General South Africa (AGSA) provide the Audit Committee and management with assurance that the internal controls are adequate and effective. This is achieved by means of evaluating the effectiveness of the management of identified risks, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The system of internal control was not entirely effective during the year under review, as several instances of non-compliance with internal controls were reported by both Internal Audit and the AGSA. It is a concern for the Audit Committee that a number of the matters raised by the AGSA are repeat findings from one or more previous years. The Audit Committee will continue to monitor progress against the corrective action plans implemented by management.

The system of control over the generation, collation and reporting of performance information requires improvement. This continues to be an area of concern to the Audit Committee and to this end Internal Audit reviews the quarterly performance information to ensure that the results are supported by a portfolio of evidence. The Department should carefully design targets and performance indicators that are SMART in the next strategic plan, as many of the findings on performance information was caused by shortcomings in the current targets. The risk management system complies with the basic legislative requirements and efforts are being implemented to advance towards the expected levels of efficiency, effectiveness and transparency. More capacity is however needed for risk management to function effectively.

High vacancy rates in the Department could have a negative effect on the control environment.

## THE QUALITY OF IN-YEAR MANAGEMENT AND MONTHLY / QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. However, material misstatements were identified during the audit and corrected by the Department.

The reporting of performance information against set objectives continues to be a cause for concern together with the number of targets that were not achieved during the year under review.

## EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- reviewed and discussed the audited financial statements to be included in the annual report, with the AGSA and the Chief Financial Officer;
- reviewed the AGSA's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the Departments compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit; and
- reviewed information on predetermined objectives to be included in the annual report.

The Audit Committee concurs with and accepts the AGSA's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the AGSA.

## INTERNAL AUDIT

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audits. Additional capacity was obtained for internal audit and they were able to complete all the audits approved in the coverage plan by the Audit Committee.

## AUDITOR-GENERAL SOUTH AFRICA

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues.

## CONCLUSION

The Audit Committee wishes to thank the Director-General and the relevant staff of the Department for their continued commitment to the good governance within the Department. The Audit Committee also congratulates the Department for achieving another unqualified audit report for the year under review. Our appreciation is also extended to the Chief Financial Officer and the finance team for their efforts regarding the financial statements for the year and to the team from the AGSA for the value they continue to add to the Department. The Audit Committee will monitor the improvements made by management in addressing control deficiencies identified by external and internal audit.



**Prof DP van der Nest**

**Chairperson of the Audit Committee**

**31 July 2013**

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**REPORT OF THE ACCOUNTING OFFICER**  
*for the year ended 31 March 2013*

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

## 1. General review of the state of financial affairs

The original allocation to the Department, excluding direct charges, which was included in the Estimates of National Expenditure 2012, increased by 12% from R28 228.589 million in 2011/12 to R31 500.357 million. This included R20 902.860 million for higher education institutions (HEIs) and R5 195.255 million for the National Student Financial Aid Scheme (NSFAS) (82.9% of the Department's total budget for 2012/13, compared to 82.6% in 2011/12). The Department's allocation increased by an amount of R85.794 million in the Adjusted Estimates for 2012/13, amounting to a total of R31 586.151 million. The increase was made up as follows:

	<b>R'000</b>
• Roll-overs	3 380
• Other adjustments for the increase in improvement of conditions of service in respect of:	
- Departmental employees	7 078
- Further Education and Training (FET) Colleges' personnel	87 336
• Less: Declared savings	(12 000)
<b>Total</b>	<b>85 794</b>

The total expenditure, excluding direct charges for the 2012/13 financial year, increased by 11.7% from R28 281.697 million in 2011/12 to R31 582.400 million in 2012/13, which represents a spending rate of 99.99% (99.9% in 2011/12). The expenditure was made up as follows (in R'000):

	<b>2011/12</b>	<b>2012/13</b>	<b>Increase/ (Decrease)</b>
Compensation of employees	305 598	360 434	54 836
Departmental operations	139 657	142 775	3 118
Departmental earmarked funds	22 309	24 896	2 587
Subsidies to HEIs	19 354 159	20 902 779	1 548 620
NSFAS	3 956 849	5 195 661	1 238 812
Subsidies to public entities	125 030	106 068	(18 962)
Conditional grants to the provinces for FET Colleges	4 375 311	4 844 607	469 296
Other transfers	2 784	5 180	2 396
<b>Total expenditure</b>	<b>28 281 697</b>	<b>31 582 400</b>	<b>3 300 703</b>

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The surplus on the vote for the financial year, excluding direct charges, amounted to R3.751 million (R17.817 million in 2011/12) and was made up as follows (in R'000):

	2011/12	2012/13
Compensation of employees	4 570	2 640
Departmental operations	13 176	1 003
Departmental earmarked funds	1	3
Subsidies to HEIs	-	81
Other transfers	70	24
<b>Total savings</b>	<b>17 817</b>	<b>3 751</b>

The total expenditure on direct charges in the 2012/13 financial year amounted to R11 694.493 million (R10 025.251 million in 2011/12), and was made up as follows (in R'000):

	2011/12	2012/13
Sector Education and Training Authorities (SETAs)	8 021 408	9 355 595
National Skills Fund	2 003 843	2 338 898
<b>Total expenditure</b>	<b>10 025 251</b>	<b>11 694 493</b>

The outstanding balances in the books of account of the Department of Education that were transferred to the Department during the 2011/12 financial year are included in the Annual Financial Statements.

### Important policy decisions and strategic issues

During 2012/13, a substantial number of legislation and policy directives to improve the post school education system have been developed such as the Further Education and Training Colleges Amendment Act, 2012, the Higher Education and Training Laws Amendment Act, 2012, the Further Education and Training Colleges Amendment Act, 2013, SETA Grant Regulations, Learning Programme Regulations and Trade Test Regulations. The Further Education and Training Colleges Amendment Act, 2012, was processed through Parliament in 2011 and promulgated in May 2012. The report of the Task Team on Community Education and Training Centres to restructure the Adult Education and Training system was concluded and recommends the establishment of Community Colleges and Community Learning Centres.

To improve the availability of timely and accurate information in the Post-School Education System, an Education Information Policy was published for public comment. The policy provides for guidelines and underlying principles for the development of the integrated Higher Education and Training Management Information System to supply both skills provisioning and skills demands side data for the country. In addition, the Higher Education Information Management System (HEMIS) was upgraded to enhance the reporting on areas such as post-doctoral student enrolments and graduations, foundation students and a disaggregated view of student data on a campus by campus basis. Amendments were made to university funding reports to enable universities to have a more detailed view

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*for the year ended 31 March 2013*

of the data used in their subsidy calculations. New reporting regulations were developed and published for public comment to enable closer monitoring of universities and to ensure improved public accountability.

With regard to the National Qualifications Framework, the Minister's *Guidelines on Strategy and Priorities for the NQF, 2012* were gazetted. After public comment and the South African Qualifications Authority's (SAQA) advice had been considered the Minister gazetted his determination of the NQF sub-frameworks. SAQA allocated all currently registered qualifications and part-qualifications to a sub-framework. Furthermore, SAQA announced the registration at appropriate levels of the N1 to N6 programmes as part-qualifications and the National N Diploma as a qualification on the NQF. This action ends a long period of uncertainty about the status of the N programmes.

In line with the National Development Plan (NDP), a number of policy directions have been taken to address the requirement to expand post school education opportunities. Some of the most critical actions are as follows:

- The development of the Central Applications Service to facilitate access through centralised applications into the Post-School Education and Training System.
- The expansion of teacher education through opening a new teacher education campus at the site of the former Ndebele College of Education in 2013. Plans to establish three further teacher education campuses in KwaZulu-Natal, Eastern Cape and Limpopo are being developed specifically to address the need for greater numbers of well-qualified Foundation Phase teachers for African language mother-tongue speakers.
- A Ministerial Oversight Committee on Transformation in the South African Public Universities sector was established in line with the recommendations of the Ministerial Committee on Transformation and Social Cohesion and the Elimination of Discrimination in Public Higher Education Institutions.

Infrastructure development remains an important factor to improve access in the Post-School Education system. The Minister of Higher Education and Training, therefore, approved a new three-year university infrastructure funding cycle to support all institutions. Specific priority will be given to infrastructure backlogs and maintenance at historically disadvantaged universities as well as student housing. The current cycle include allocations for the new universities in Mpumalanga and Northern Cape. In addition the Minister intends to establish a new Health Sciences University in Gauteng, which should incorporate the Medunsa campus of the University of Limpopo. Plans to build 12 new FET College campuses in rural areas as well as to refurbish 2 existing campuses have been completed and a tender to appoint a design and project management service provider will be advertised during the 2013/14 financial year.

In ensuring that no academically capable student would be denied access to university education due to financial need, a Ministerial working group was appointed to conduct a study to determine the actual cost of introducing fee-free university education for the poor. The working group completed its report and submitted the report to the Minister for approval.

A steering committee was set up to oversee the development of the Central Applications Service (CAS). The first phase of the CAS, the Central Application Clearing House (CACH) was implemented in the fourth quarter of the financial year. The CACH operated successfully from the first week of January to the end of March 2013 and was utilised to guide and advise prospective students on the different learning opportunities available within the post-school system.

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The Ministerial Committee on the Review of Funding of Universities completed its work and the full final draft was submitted to the Minister in December 2012.

New guidelines and criteria for proposals from institutions for Research Development and Teaching Development grants were approved and implemented. This will ensure better monitoring of the use of these funds across the system in the future.

The final Policy on Professional Qualifications for Lecturers in Technical and Vocational Education and Training was prepared for publication in the Government Gazette. It is expected that the Policy will be published in the first quarter of 2013/14 for implementation by 2015/16.

With the hosting of the 5<sup>th</sup> BRICS Summit in Durban, a decision was taken that the Department would organise the BRICS Think Tanks Workshop and the BRICS Academic Forum. The Department is also responsible to establish a South African BRICS Think Tank.

In May 2012, the responsibility for Strategic Planning of the FET Colleges was taken over by the Department, thus having to establish a national standard and framework for the colleges. This strategic move has given the Department more leverage to align the delivery at College level with the strategic goals of the Department. During 2012/13, a Human Resource Management and Planning Framework was developed for FET Colleges and as a first phase, a generic organisational structure will be implemented in 30 FET Colleges during 2013. Treasury approval was also obtained for the Department to be directly responsible for the payment of FET College subsidies with effect from 1 April 2013. As a forerunner of the Regional Office Model for the Department, the Department established regional offices in the Eastern Cape, Mpumalanga and Western Cape. With the assistance of the South African Institute of Chartered Accountants (SAICA), 48 Chartered Accountants were appointed as Chief Financial Officers at FET Colleges with the remaining two colleges to receive their appointments shortly. Also in partnership with SAICA, the Department has appointed 20 Human Resources Specialists to support clusters of colleges to set up Human Resource systems, procedures and policies to ensure smooth and effective human resource management and development in each FET College.

A framework for the implementation of open learning in post-school education and training has been approved which includes the development and implementation of a policy framework for open learning and the implementation of open learning systems in the following areas:

- Skills programmes in the implementation of the National Infrastructure Plan;
- The development of programmes for the National Senior Certificate for Adults (NASCA);
- FET College subjects that are not widely offered at FET Colleges such as Physical Science;
- University programmes to increase access to higher education; and
- Career Development Practitioners' programmes for out-of-school youth to assist in Career Development Centres, walk-in centres, FET Colleges and high schools.

Interim Guidelines on the Registration and Accreditation of Private Providers Offering Qualifications and Part-Qualifications in the Trade and Occupational Sector based on the Skills Development Act, 1998 came into effect in August 2012. The guidelines prohibited the Department from registering skills development providers as private FET Colleges.

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The Technical Task Team for Artisan and Technician Development reached consensus among all relevant role players (employers, labour and Government) on the three most critical blockages to national artisan development. The Human Resources Development Council endorsed the work of the Task Team and the Department is putting in place policies, systems, processes and resources to remove these blockages. These blockages are as follows:

- Detailed, accurate, current data for artisan trade prioritisation, workplaces and placement, scientific target setting and monitoring and evaluation;
- A single guaranteed funding model for all artisan trades applicable to all sectors, grant disbursement system and an integrated artisan learner administration; and
- An Artisan Recognition of Prior Learning system that focused on supporting persons who are working as support workers in the engineering field to become certificated artisans.

The Minister of Higher Education and Training gazetted the first ever formal and official definitions of an Artisan and a Trade as well as a coded list of 125 occupations that are classified as artisan trades in South Africa. This is a significant step forward in the development of a common nomenclature standard for recording, reporting, monitoring and evaluating artisan development in the country.

New Sector Education and Training Authority Grant Regulations were published to ensure that skills levy funds are utilised to address the scarce and critical skills in all the sectors. Stronger emphasis has been placed on PIVOTAL programmes as against the short courses on which Sector Education and Training Authorities (SETAs) spent the majority of funds. These regulations became effective on 1 April 2013 and also provides for the utilisation of accumulated surpluses by the Sector Education and Training Authorities to be spent on skills training.

### **Significant events that have taken place and major projects undertaken or completed during the year**

The Department hosted various significant events during the 2012/13 financial year. One of the main events of National interest hosted by the South African Government was the Academic Forum leading up to the 5<sup>th</sup> BRICS Summit during March 2013. To ensure the success of the event, the Department hosted a BRICS mini-conference for South African BRICS scholars at the University of Pretoria in preparation for the BRICS Academic Forum. In cooperation with the Human Sciences Research Council (HSRC) the Department also hosted the BRICS Council of Think-Tanks workshop at the University of KwaZulu-Natal. The declaration on the Establishment of the BRICS Think Tanks Council and a set of recommendations to the 5<sup>th</sup> BRICS Summit in Durban from the Academic Forum, were finalised and presented to the BRICS heads of state at the Summit. The HSRC will incubate the South African BRICS Think Tank in 2013 and will undertake work related to South Africa's preparation for the next BRICS summit in 2013/14.

Other international events of significance include the hosting of an Extra-Ordinary SADC Meeting of Ministers of Higher Education in Johannesburg, the Conference of Ministers of Education of the African Union (COMEDAF V) in Nigeria, the Third UNESCO International Conference on TVET in Shanghai, the UNESCO-International Institute for Educational Planning Policy Forum on "Engaging Youth in Planning Education for Social Transformation" and the International launch of the UNESCO 2012 Global Monitoring Report in Paris.

The Department also participated in bilateral commission meetings with Zimbabwe, Uganda, Ethiopia, Nigeria, Burundi, United States of America and Russia. The Minister, Deputy Minister and officials of the Department undertook various official visits including to Jamaica, Denmark, and the United States of America. Delegations from South Sudan and Namibia were hosted by the Department.



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The Department held a series of discussions with selected statutory professional bodies to develop processes to ensure that blockages in the production of professionals are dealt with systemically. These discussions also focused on the need for effective enrolment planning linked to the demand for specific high level skills and to get an understanding of the possibilities for work integrated learning and placement that will lead to effective registration after the completion of a qualification. A successful summit was held with the Engineering Council of South Africa on Engineering Education and a report was compiled that included recommendations on the systematic expansion of training in selected engineering science fields.

Following the publication of the Ministerial Committee Report on Student Housing, a consultative workshop was held to engage all institutions on its recommendations. A draft *Policy on Student Housing and Minimum Norms and Standards Applicable* was finalised for publication in the Government Gazette.

The *Apply Now!* Campaign was implemented and directly reached approximately 20 000 learners from rural and township communities, through various career exhibitions. In partnership with SAQA, NSFAS, and the Department of Basic Education (DBE), the campaign included radio, television and social media messages. As part of the campaign, 600 000 booklets were printed and distributed to all high schools across the country. The campaign was aimed at informing 2012 matric learners and other youth of the possible choices for post school education and training and the importance of applying for a space in the post school system before the various closing dates.

A workshop to induct university Council Members appointed by the Minister was successfully carried out.

The Strengthening Foundation Phase Teacher Education Programme is in its second year of implementation and is bearing fruit. Currently 20 universities are involved in Foundation Phase Teacher Education, 15 are offering programmes and 5 are preparing to offer programmes by 2014. The total number of Teacher Education graduates increased from 8 500 graduates in 2010 to 10 543 graduates in 2011. Significant teacher education staff development, research and programme development is taking place. A research organisation and a Journal focussing on foundation phase teacher education have been established. The new Teacher Education Campus that was opened at Siyabuswa in Mpumalanga had a first intake of 100 students supported with full cost bursaries in a new B Ed in Foundation Phase Teaching programme. This campus will become part of the new university of Mpumalanga in 2014. A national Numeracy Education week was successfully held at Rhodes University in September 2013. This brought together a network of South African and international foundation phase teacher educators and early childhood development academics and practitioners.

Significant progress has been made towards the establishment of the two new universities in Mpumalanga and the Northern Cape which includes the following:

- A development framework for the two universities was published in the government gazette for public comment;
- The seats of learning for each institution have been approved;
- A set of institutional guidelines have been developed;
- A full feasibility study was conducted;
- A full spatial and physical plan has been developed;
- An academic plan has been developed;

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- An implementation plan for the infrastructure and institutional development over a 10 year period has been developed in line with funding made available;
- A gazette calling for nominations for members of interim councils was published and nominations were received;
- A stakeholder consultation process has been conducted to ensure that the requirements of the Promotion of Administrative Justice Act have been adhered to; and
- The land assembly for the establishment of the two institutions was confirmed, which paved the way for the environmental impact assessments and the proclamation of the new institutions as legal entities.

The Department hosted an Academic Managers' Workshop in October 2012 that involved the Deputy Principals: Academic Services in FET Colleges. The aim of the workshop was to intensify the Department's efforts in improving quality teaching in colleges. The workshop also incorporated expertise and experiences of several stakeholders and experts involved in improving teaching and learning.

To improve the quality of curriculum delivery in vocational programmes in FET Colleges, a total of 1 340 lecturers were trained in a series of planned training sessions focusing on varying aspects of teaching and learning. 60 officials were trained on curriculum and assessment whereby the focus was on improvements in curriculum and understanding the assessment regulations.

A strategic planning workshop for FET student support services and academic managers was hosted in September 2012 and a Selection and Placement test workshop was hosted in December 2012.

With regard to ensuring credible examinations and assessments the Department finalised Assessment Regulations. Workshops were also held on the management and conduct of examinations for FET Colleges in Eastern Cape, Gauteng, KwaZulu-Natal and Limpopo. Workshops on the briefing of question paper setting panels beyond NC(V) and the ABET-GETC were expanded to include panellists for the N-programmes for the first time. Workshops were also conducted for all the FET College marking centre managers for both centralised and decentralised national marking centres.

During the year under review, SETAs were directed to deploy resources in areas where their services are needed the most. In response to this appeal all SETAs opened offices in rural areas, specifically in FET Colleges, to be closer to communities.

In support to the artisan development awareness campaign in the country, the Minister declared 2013 as the "Year of the Artisan" at an event launched on 4 February 2013 in the Ekurhuleni West FET College in Tembisa. The programme is aimed primarily at advocating the need for young people to consider technical and vocational programmes at FET Colleges and artisan development in particular as a career of choice as opposed to only University based careers.

Funding was approved from the National Skills Fund for a three-year project to establish a National Artisan Development Support Centre (NADSC) through a formal partnership between the Department and the Ekurhuleni East FET College. The NADSC includes information technology and call centre capacity that is being developed and utilised to create a single national artisan database by re-capturing artisan learner data from Indlela and all relevant SETAs to start to address the national artisan data blockage identified by the HRDC. The NADSC has already commenced through its call centre capacity to engage with employers to facilitate the placement of public FET College engineering graduates in artisan learning programmes at SETA approved workplaces. This capacity supported

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through partnerships with SETAs and a pilot started with the Chemical Sector SETA. The NADSC has also commenced with the development of a web site as a platform to communicate with all artisan development role players, in particular employers that are looking for suitable qualified learners to register for artisan learning programmes.

During February 2013, a successful strategic planning workshop was held between the Department, members of Parliament and the institutional base of the Department (Universities, FET Colleges and public entities). The workshop focussed on the integrated and coherent approach that is required between the Department and its entities to improve the quality of higher education and training. A strong emphasis was placed on areas that hamper service delivery including articulation and funding mechanisms.

At Departmental level, an Organisational Culture, Work Ethic and Change Management project commenced to drive the Department towards innovative thinking, working and behaving in new ways to support and increase the organisational change agility. The Department finalised its macro- and micro-organisational structure and it is projected to start the implementation thereof during the 2013/14 financial year. Nelson Mandela day was celebrated through a Career Festival in Taung, North West. A total number of approximately 6 000 learners were reached during this event. Based on the need for expanded accommodation, the identification of land for the construction of offices started with the Department of Public Works. The existing building will be renovated during 2013/14 in order to improve working conditions, while the process for new accommodation is continuing.

### Spending trends

The under-expenditure of R3.751 million (R17.817 million in 2011/12) on the Department's programmes, measured against the allocations after virement, is as follows, in R'000:

	2011/12		2012/13	
	Under-expenditure	Percentage	Under-expenditure	Percentage
1. Administration	3 284	2.11%	496	0.29%
2. Human Resource Development, Planning and Monitoring Evaluation	660	1.70%	416	0.96%
3. University Education	635	0.00%	557	0.00%
4. Vocational and Continuing Education and Training	4 625	0.10%	2 211	0.04%
5. Skills Development	8 613	6.59%	71	0.08%
<b>Total</b>	<b>17 817</b>	<b>0.06%</b>	<b>3 751</b>	<b>0.01%</b>

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The under-expenditure is minimal and did not impact negatively on the Department's programmes and service delivery. Factors that contributed to under-expenditure included savings realised on funds provided for performance awards and posts on the staff establishment of the Department that became vacant during the year and that could not be filled as projected and the concomitant savings that resulted from this, audit fees and the under-spending on the Indlela security system because of transitional arrangements and the extent of the project, as well as cost containment measures put in place to ensure that the Department would not overspend its budget.

Expenditure is monitored on a monthly basis, whereby the responsible managers are requested to provide progress reports on projects. The Minister is also informed on a monthly basis of the spending levels in terms of the Public Finance Management Act. A reprioritisation of activities and funding within the objectives of the Department is also considered when necessary.

More information on the under-expenditure is reflected in the Notes to the Appropriation Statement.

**Virement**

The virement applied within the Department, is as follows in R'000:

Programme from which funds were shifted	Programme to where funds were shifted	Amount
Human Resource Development, Planning and Monitoring Co-ordination	Administration	1 097
University Education	Administration	3 422
Skills Development	Administration	3 466
Skills Development	Vocational and Continuing Education and Training	3 900

The Department effected deliberate savings on various projects in order to address excess expenditure on costs for the International Attaché, Communications, Personnel Administration and Property Management in Programme 1: Administration as well as for examiner and moderator claims in Programme 4: Vocational and Continuing Education and Training. Treasury approvals, with reference number 9/4/4/13 dated 6 November 2012 and 15 March 2013, were obtained to increase the transfer payments to the Commonwealth of Learning and the India-Brazil-South Africa Trilateral Commission respectively, due to an increase in exchange rates. Funds were also shifted between programmes within compensation of employees, in order to accommodate possible over-expenditure on compensation of employees in some of the programmes.

The virement was approved by the Director-General in accordance with the Public Finance Management Act and reported to National Treasury and the Minister of Higher Education and Training.

## 2. Services rendered by the Department

### 2.1 Services rendered

The Department was in the main responsible for the formulation of national higher education and training policy and for monitoring and evaluating the implementation of policy. Revenue collected was for services that were rendered on a national basis in respect of FET College examinations and certificates; the registration of private HEIs; revenue generated by the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments from fees for trade tests, boarding and rentals. The total revenue collected in this regard for the period under review amounted to R4.637 million (R3.680 million in 2011/12).

### 2.2 Tariff policy

#### National Technical Examinations

Tariffs for the services rendered in respect of the National Technical Examinations were as follows:

	<b>Tariff in R</b>
<b>Examination fees</b>	
a) Enrolment fees per subject/instructional offering	20.00
b) Enrolment fees per instructional offering Report 191 (N4 – N6)	27.00
c) Concessions, amanuenses and additional time per subject/instructional offering	51.00
d) Remarking per subject/instructional offering	81.00
e) Rechecking per subject/instructional offering	14.50
f) Reissuing of/changes to/amendments of statement results	19.00
g) National Senior Certificate (Technical), National Certificate (Vocational), National N3 Certificate and Subject Certificate	90.00
h) Applications for the reissuing of the National Senior Certificate (Technical), National Certificate (Vocational), National N3 Certificate and Subject Certificate	90.00
i) Confirmation document issued prior to the certificate (system-generated document)	15.00
j) Letter to embassies (work/study abroad)	20.00

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	<b>Tariff in R</b>
k) Teacher certificates	30.00
l) Statements for teacher qualifications	15.00
m) Transfer of examination entries	25.00
n) Exemption for, or recognition of subjects passed with other examining bodies	50.00
o) Postage	
• Africa	117.00
• Overseas (diplomatic bag)	140.00
• Overseas via the Post Office	200.00
p) Verification of qualifications prior to 1992 for government organisations	15.00
q) Verification of qualifications prior to 1992 for non-government organisations	35.00
r) Late entry or amendments penalty	21.00
s) Syllabuses (only applicable to examining bodies that supplied syllabuses to other examining bodies)	1.00

**Private Further Education and Training Colleges**

The tariffs for the services rendered in respect of private Further Education and Training Colleges were as follows:

	<b>Tariff in R</b>
a) Application for registration	500.00
b) Amendments	500.00

**Private Higher Education Institutions**

The tariffs for the services rendered in respect of the Registrar of Private Higher Education Institutions were as follows:

	<b>Tariff in R</b>
a) Application for registration	500.00
b) Amendments	500.00
c) Conversions	500.00

**Trade test tariffs**

Trade test fees were charged as published in the *Government Gazette* No. 343 of 23 March 2009.

**2.3 Free services**

None

**2.4 Inventories**

The inventories on hand at year end amounted to R296 898 (R222 517 on 31 March 2012).

**3. Capacity constraints**

As indicated above, the Department finalised its new organisational structure and will commence implementation thereof during the 2013/14 financial year. A number of capacity constraints still exist within the Department. The shifting of functions from the Provincial sphere to the National sphere of Government with regard to Further Education and Training as well as Adult Education and Training, is already impacting on the current staffing capacity. There is increased pressure on the Department particularly for the human resource function as the Department has to manage recruitment processes for FET Colleges. Disciplinary cases that were inherited with the establishment of the Department are delayed due to capacity constraints and the continuous adjournment of disciplinary hearings.

Most Branches experience capacity constraints which impact on the delivery of services. The most significant capacity problem is at the high level professional end. Posts at Deputy Director-General

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level as well as Chief Directors and Directors remains vacant and impact on the timeous achievement of deliverables and some planned activities have to be reprioritised. To achieve certain project deliverables, the appointment of contract staff in dedicated fields of experience are required. There is also a strong reliance on overtime work at some components in the Department to manage excessive workloads. This is not sustainable over the long term.

#### 4. Utilisation of donor funds

The Department received new donations totaling R882 883.78 in cash from foreign donors during the 2012/13 financial year. Expenditure of R882 883.78 was incurred against funds held in the Reconstruction and Development Programme (RDP) Fund. The balance of the funds available to the Department in the RDP Fund, as at 31 March 2013, was nil.

Donor funds were mainly used as follows:

- The utilisation of R141 million over three years, from the European Union Primary Education Sector Policy Support Programme, was approved early in 2010 and continues to be rolled out. The project is proceeding well with indicators set for the programme in the financing agreement having already been met and exceeded. The activities include research, programme development and materials development for Foundation Phase teacher education, post-graduate scholarships, bursaries for initial teacher education, and seeding the establishment of an academic journal and a research association for this sector. During 2012/13, the programme supported a number of initiatives including a national Teacher Education Conference held at the University of Pretoria from 17 to 19 September 2012. The conference informs and supports the development of new teacher education qualifications in line with the policy published in 2011. An amount of R34.185 million was utilised during the 2012/13 financial year.
- Support was received from the Danish Government for the Education and Skills Development programme in South Africa. Funds were allocated to support the FET Colleges in terms of finalising their funding proposals for this project. The aim of the project will be to assist selected FET Colleges to strengthen their ability to prepare students for the world-of-work or further studies. Learning materials for academic support interventions were developed and a job portal platform was developed in one of the participating FET College and a tutoring programme is on track. The implementation of the first year of the pilot project for a model on Work Based Exposure between FET Colleges and industry was completed. A total amount of R6.219 million was spent on this project during 2012/13.
- The Netherlands Government supported the strengthening of the National Certificate Vocational (NC(V)) programmes in line with the labour market demands for FET Colleges. Subjects such as English First Language, Life Orientation and Physical Science were reviewed. NC(V) subjects for curriculum implementation in 2014 such as Office Data and Processing Levels 2, 3 and 4, Community Practice established in Life Orientation, Fitting and Turning and Automotive were also reviewed. Lecturer training and capacity building workshops were held in November 2012, January 2013 and March 2013 on web-based lecturer support tools and Communities of Practice. A total amount of R2.926 million was spent on this project during 2012/13.
- The Netherlands Government also supported the strengthening of the Management Information Systems and Information Management processes within the Department and FET Colleges. A SharePoint server were installed and training was provided to officials on the utilisation of data, 2013 Annual Work Plans were approved, a week-long Dash-Board training took place for seven departmental officials and additional FET Colleges that are going to participate in the project were identified. A total amount of R2.811 million was spent on this project during 2012/13.



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- The Employability Improvement Project whereby students are trained for two weeks in productivity, soft and innovation skills were supported by the Japanese Government. The project has been extended from 2013 to 2015 and will be rolled out to all Universities of Technology. A total amount of R6.417 million was spent on this project during 2012/13.
- European Union: Career guidance services: The framework for cooperation in the provision of Career Development Services in South Africa recommends that the Department of Higher Education and Training and the Department of Labour develop an advocacy and communication action plan for the implementation of the recommendations in the framework. Requirements for the services of an Advocacy Communication Strategy consulted with delivery partners to assist in the compilation of an action plan and approved by the Career Advice Services Implementation Task Team Workshop on 28 February 2013. Guidelines and protocols for partnerships as well as a competency framework for career development practitioners were also developed and approved in the workshop. A draft research agenda was developed and discussed. A plan for the establishment of a national career development forum was developed and will be presented to the next meeting of the Career Advice Services Implementation Task Team. The first phase of the National Career Advisory Portal that forms the basis for the development of further modules has been completed and is live at <http://ncap.careerhelp.org.za>.
- USAID: Doctorate candidates from selected countries are registered at the University of Pretoria Faculty of Law. They have access to teaching, research and publishing. Five candidates were selected and have registered at the University of Pretoria from the 2013 academic year. Candidates are in the process of planning their research and preparing their proposals with inputs from their supervisors. A total amount of R573 000 was spent on this project during 2012/13.
- USAID: Certificate for officials from South Sudan Ministry of Education: Three officials from South Sudan are in the final stage of the certificate course at Wits University. A total amount of R309 000 was spent on this project during 2012/13.
- The European Union's Erasmus Mundus Scholarship Programme (Window for South Africa), is valued at three million Euros over a period of five years, and is a mobility scheme for South African Masters' and Doctoral students, as well as for academics and other staff members to spend part of their studies, research or working time at a European university. 92 Master's and Doctoral students were sent to European universities as part of the Erasmus Mundus Scholarship Programme.
- Chinese Government: 22 Students received scholarships from the Chinese Government to study at Chinese universities.
- Russian Government: Four students received Russian State Scholarships to study marine and aeronautical engineering in Russia.
- The United Kingdom sponsored work towards the launch of the Association of Colleges in South Africa as well as to establish partnerships between five local FET Colleges and four colleges in the United Kingdom. The five FET Colleges in South Africa are: Northlink, Eastcape Midlands, Orbit, Sedibeng and Gert Sibande.

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*for the year ended 31 March 2013***5. Public entities**

There were 26 public entities that reported to the Minister of Higher Education and Training during the 2012/13 financial year. These entities are as follows:

**5.1 Council on Higher Education (CHE)**

The CHE is an independent statutory body, established in terms of the Higher Education Act, 1997. The passing of the Higher Education Amendment Act, 2008 and the National Qualifications Framework Act, 2009 imply a significant change for the council, from its function as an advisory institution that monitors and evaluates the achievement of South African higher education policy and goals, to a quality council for higher education. This new function mandates it to audit higher education institutions, accredit programmes offered, including the development of the higher education qualifications framework, and set standards. An amount of R39.993 million was transferred to the CHE in 2012/13.

During 2012/13:

- The revised Higher Education Qualifications Framework was finalised to be gazetted;
- The draft Framework for Institutional Quality Enhancement in the Second Period of Quality Assurance which focuses on the quality enhancement, rather than, institutional audits, of teaching and learning was approved by both the Higher Education Quality Committee (HEQC) and the Council;
- The second draft Framework for Qualification Standards in Higher Education was approved by the HEQC and the Council; and
- The CHE provided advise to the Minister on the status and location of public colleges, which has been identified as a key issue in the Green Paper on Post-School Education and Training;

**5.2 National Student Financial Aid Scheme (NSFAS)**

NSFAS was established in terms of the National Student Financial Aid Scheme Act, 1999. It is responsible for administering loans and bursaries and allocating these to eligible students; developing criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister of Higher Education and Training; raising funds; recovering loans; maintaining and analysing a data base; undertaking research aimed at better utilisation of financial resources; and for advising the Minister on matters relating to student financial aid. An amount of R5 195.661 million was transferred to NSFAS in 2012/13. Other sources of revenue are donor funds, money repayable on study loans and interest on investments.

During 2012/13, the number of students who received NSFAS financial assistance increased from 289 172 in 2011/12 to 382 943 in 2012/13, which includes FET Colleges bursary recipients.

### 5.3 South African Qualifications Authority (SAQA)

SAQA is a statutory body, established in terms of the South African Qualifications Act, 1995. As from 1 April 2009, SAQA has operated in terms of the National Qualifications Framework (NQF) Act, 2008, which replaced the former SAQA Act. In terms of the new NQF Act, SAQA continued to focus on upholding the principles of the NQF, including ensuring access, quality, redress and development for all learners through an integrated national framework of learning achievements. The Department transferred an amount of R45.723 million to SAQA during 2012/13.

During the 2012/13 financial year, SAQA:

- Provided inputs to the Green Paper;
- Advise the Minister of Higher Education and Training on the Determination of the Sub-Frameworks that comprise the National Qualifications Framework which was gazetted on 14 December 2012;
- Registered 182 new qualifications and 20 part-qualifications and re-registered 7 130 higher education and 859 occupational qualifications.
- Recognised 48 Professional Bodies and registered 193 Professional Designations.
- Received a total of 32 289 applications for foreign qualifications and verifications were completed on 72 255 qualification records;
- Assisted the Department with:
  - the development of a Framework for Cooperation in the Provision of Career Development (information, advice and guidance) Service;
  - the Apply Now! Campaign;
  - the Mandela Day Career Festival; and
  - the Central Applications Clearing House Campaign;
- Continued to work closely with the Department to provide Quality national NQF and a Career Advice Helpline; and
- The SAQA Board approved:
  - the policy and criteria for Recognising a Professional Body and registering a Professional Designation for the purposes of the National Qualifications Framework Act, 67 of 2008 (June 2012);
  - policy and criteria for the Registration of Qualifications and Part-Qualifications on the National Qualification Framework (March 2013); and
  - a National Policy for the implementation of Recognition of Prior Learning.

### 5.4 The National Skills Fund (NSF)

The NSF was established in 1999 in terms of the Skills Development Act, 1998 and was gazetted as a Schedule 3A public entity by the Minister of Finance with effect from 1 April 2012. It is funded by 20% of the skills development levies collected by the South African Revenue Service (SARS). The fund's key functions include the funding of national skills development priority projects as identified in the third National Skills Development Strategy; funding projects related to achieving the purpose of the Act, as determined by the Accounting Authority and administering the fund. The Department transferred an amount of R2 338.898 million from direct charges to the NSF during 2012/13.

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During the 2012/13 financial year, the NSF supported 189 projects resulting in grant disbursements towards those projects amounting to R3.2 billion. A total number of 15 891 learners received training from the projects funded by the NSF.

The grant disbursement rate of the NSF has increased significantly by 160% from R1.2 billion in 2011/12 to R3.2 billion in 2012/13. It is the first time in the Fund's history where grant disbursements exceeded the Fund's income as the Fund started to efficiently utilise its annual income, as well as historic accumulated reserves towards effective skills development projects.

The increase in grant disbursements is expected to continue in the next financial year to an estimated R6.1 billion as the Fund meets its commitments towards its current skills development projects. During the 2012/13 financial year, the NSF has committed R12.2 billion towards skills development projects of national priority, effectively committing all of the NSF's accumulated surpluses of R7.1 billion as at year-end. Efficient cash flow management also assisted the NSF to increase its commitments to an additional R5.1 billion against future income, over and above commitments made against accumulated reserves.

As the NSF continues to put its resources to effective use in achieving the objectives and outcomes of the NSDS III, the increased disbursement rate will result in the NSF effectively utilising its income, as well as its accumulated surpluses of R7.1 billion over the next three years until the end of the NSDS III, benefiting many for generations to come.

**5.5 Sector Education and Training Authorities (SETAs)**

During 2012/13, there were 21 SETAs that were mandated by section 9 of the Skills Development Act, 1998 to provide skills development across various economic sectors. Their main objectives are to implement sector skills plans aimed at developing the appropriate skills; to develop and register learning programmes; and to distribute skills development levy funds. The SETAs meet the NSDS targets by means of a legislated service level agreement with the Department. These annual agreements are determined by the NSDS' five-year target, which is also calculated in annual terms. The Department transferred an amount of R9 355.595 million from direct charges to the SETAs during 2012/13.

The operations of all SETAs were refocused via NSDS III. During 2012/13, SETAs developed and implemented sector skills plans within the framework for the National Skills Development Strategy and other relevant strategies in order to develop appropriate skills and registered learning programmes and distributed skills development levies as required.

**5.6 The Quality Council for Trades and Occupations (QCTO)**

The QCTO was established in terms of the Skills Development Act, 1998 and became operational in 2010. The primary functions of the QCTO are to: design and develop occupational standards and qualifications and to submit these to SAQA for registration on the national qualifications framework; establish and maintain occupational standards and qualifications; ensure the quality of occupational standards and qualifications and learning in and for the workplace; promote the objectives of the national qualifications framework; liaise with the National Skills Authority on the suitability and adequacy of occupational standards and qualifications and on the quality of learning in and for the workplace. The Department transferred an amount of R20.352 million to the QCTO during 2012/13.

During 2012/13, the QCTO:

- Submitted the amended draft Occupational Qualifications Sub-framework to the Minister and published it in a *Gazette* together with the sub-frameworks of the other quality councils for public comments;
- Developed a Quality Partners Guide, a Qualification Development Facilitators Guide, a Qualifications Development staff standard operating procedures manual, an Accreditation of Assessment Centres Policy, Criteria and guidelines for Assessment Quality Partners; an Accreditation of Skills Development Providers Policy and a Certification Policy;
- Processed approximately 60 applications requesting development of qualifications;
- Submitted 50 qualifications for review to the Qualifications Committee;
- Signed seven Service Level Agreements with Assessment Quality Partners;
- Appointed the Chief Executive Officer of the QCTO; and
- Filled 16 posts ranging from senior management to clerk.

## 6. Other organisations that receive transfer payments from the Department

### 6.1 Higher Education Institutions (HEIs)

Funds were transferred to support the HEIs (Universities and Universities of Technology) and enable them to perform their core functions – lecturing and research – efficiently and effectively. This is linked to the broader policy goals and objectives outlined in the National Plan for Higher Education, which is underpinned by the need to ensure the sustainability, affordability and responsiveness of the higher education system, and to enable it to contribute to the social and economic development of South Africa. A total amount of R20 902.779 million was transferred to HEIs.

### 6.2 Education, Training and Development Practices Sector Education and Training Authority (ETDPSETA)

In terms of the Skills Development Act, 1998, and the Skills Development Levies Act, 1999, an amount of R174 915 was transferred to the Education, Training and Development Practices SETA.

### 6.3 Other transfers

- **Commonwealth of Learning**

An amount of R2.197 million was transferred to the Commonwealth of Learning, being the membership fee for South Africa as member country.

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- **India-Brazil-South Africa**

The India-Brazil-South Africa Trilateral Commission Dialogue Forum was established in 2003 by these three developing countries, in order to work towards a common vision for enhanced South-South cooperation. An amount of R442 305 was transferred to the Commission via the non-profit institution Higher Education South Africa (HESA) (Treasury approval reference number 9/4/4/4/13 dated 9 December 2011).

- **Higher Education South Africa (HESA)**

An amount of R5 million was transferred to HESA for the Higher Education HIV and Aids programme.

#### **6.4 Conditional grants to Provincial Education Departments (PEDs)**

The FET Colleges conditional grant was allocated to the Department during the period under review. Before funds were transferred to the provinces, the Department ensured that all the requirements of the Division of Revenue Act, 2012, were met.

The total allocation for the conditional grant for 2012/13 (in R'000) is as follows:

<b>Conditional grant</b>	<b>Total allocation</b>	<b>Amount transferred</b>	<b>Total amount spent by PEDs</b>	<b>% Spent on allocation</b>
FET Colleges	4 844 607	4 844 607	4 824 156	99.60
<b>Total</b>	<b>4 844 607</b>	<b>4 844 607</b>	<b>4 824 156</b>	<b>99.60</b>

##### **6.4.1 Further Education and Training (FET) Colleges**

The main objective of the FET Colleges Conditional Grant is to ensure the successful transfer of the function of FET Colleges to the Department of Higher Education and Training.

The following constituted the outputs of the grant, as per the agreed grant framework:

- Enrolment of NC(V) Programmes, as specified in college enrolment target planning;
- Enrolments in Report 191 Programmes as set out in the college enrolment target planning;
- Expanding information and communication technology (ICT) for teaching and learning, using connectivity norms;
- Continued implementation of MISs for the delivery of transversal MIS services;
- Implementation of the Funding Norms for FET Colleges;

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- Upgrading, alteration, refurbishment and moderation of classrooms, workshops and laboratories. Maintenance and repairs of equipment to support the delivery of approved programmes; and
- Infrastructure development.

Achievements during the 2012/13 financial year included:

- Approximately 3 421 college lecturing staff were trained towards improved subject knowledge for fundamental components, NC(V) subjects and other occupational programmes;
- Approximately 3 904 college lecturing staff were trained towards improved classroom practice for fundamental components (Maths and English), NC(V) and other occupational programmes;
- Approximately 1 990 support staff were trained to provide improved administrative and student services;
- 91 support staff were trained on the standard AAT accounting programme;
- A total of 66 new workshops, 219 new classrooms and 50 administrative or student support offices were built; and
- A total of 245 workshops and 438 classrooms were upgraded.

#### **6.4.2 Compliance with the Division of Revenue Act (DoRA)**

In terms of section 11(2) of DoRA, 2012, the duties of the receiving officer include submitting quarterly reports to the Department not later than 30 days after the end of each quarter. This obligation was not satisfactorily adhered to by PEDs as some colleges submitted late reports to the Department. The transferring national officer submitted these reports to the National Treasury, the Portfolio Committee on Higher Education and the National Council of Provinces after consolidating all provincial reports according to the requirement of the grant framework.

#### **6.4.3 Performance evaluation of conditional grants**

In terms of section 9(1) of DoRA, 2012, the transferring national officer must evaluate the performance of programmes that are funded or partially funded by the allocation, and submit the evaluation report to the National Treasury within four months after the end of the financial year. This obligation was satisfactorily adhered to. The 2011/12 annual performance evaluation of the FET Colleges Schedule 4 conditional grant was conducted and the Report on the Annual Performance Evaluation of the conditional grant for the 2011/12 financial year was submitted to National Treasury on 31 July 2012.

## **7. Public-Private Partnerships (PPPs)**

None.

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During the period under review, risk assessment workshops were conducted with all the branches in the Department to identify and assess the risks that could negatively affect the achievement of objectives. The Department's establishment does not provide for a risk management unit. A Fraud Prevention Plan is in place as required by the Treasury Regulations.

**8.2 Internal Audit Unit**

The role of Internal Audit Unit is to provide management and the Audit Committee with independent, objective assurance and consulting services, designed to add value and improve the Department's operations. It is furthermore aimed at assisting the Department to accomplish its objectives by establishing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes.

The Internal Audit Unit operates with skilled personnel and functions as required by the Treasury Regulations and the Public Finance Management Act (PFMA). An audit plan was developed from the risk assessment conducted in the Department and approved by the Audit Committee. During the year under review, internal audit engagements were performed in accordance with the audit plan. Due to a lack of staff to execute all the work on the audit plan, the Department decided to make use of consultants to provide co-sourcing to assist with the audits.

**8.3 The Audit Committee**

The Audit Committee is in place and functions effectively, as required by the Treasury Regulations and the PFMA. The Audit Committee held four meetings during the period under review, and was assisted by Internal Audit, which provides secretarial services.

**8.4 Management processes for minimising conflict of interest**

All senior managers in the Department are compelled to declare their financial interests to the Minister on an annual basis. Furthermore, all employees of the Department are compelled to request permission from the Director-General before they do any work outside the Department that generates additional remuneration for them. All senior managers signed performance agreements.

**8.5 Implementation of a Code of Conduct**

The Code of Conduct for Public Servants, developed by the Public Service Commission to promote a high standard of professional ethics in the public service, was implemented in the Department and managers ensure that all staff members adhere to it. Copies of the two Codes of Conduct for Public Servants were distributed to every official in the Department and have been fully implemented.



Employees who violated the Codes of Conduct were disciplined in terms of the Disciplinary Code and Procedures for the Public Service.

## 8.6 Safety, health and environmental issues facing the Department

An Occupational Health and Safety Officer, was appointed. A draft policy was compiled and will be forwarded for comment, where after it will be forwarded to the Departmental Bargaining Council for consultation before final approval. This policy will aim to create a healthy and safe working environment for all staff, visitors and contractors to the Department as far as reasonably practical.

## 8.7 Other governance structures

- **Bid Committees**

- **Bid Specification Committee (BSC)**

A minimum of three members constitute the BSC appointed by the Director-General. A representative from the Legal Services and Supply Chain Management units forms part of the committee. The role of the committee is to draft specifications for projects that are above R500 000, which are not on any transversal contract. The specifications drafted by the committee should be unbiased to allow potential service providers to compete.

- **Bid Evaluation Committee (BEC)**

A minimum of three members constitute the BEC appointed by the Director-General. A representative from the Legal Services and Supply Chain Management units forms part of the committee. The committee is responsible for the evaluation and verification of the submitted bids in relation to the advertised evaluation criteria.

- **The Bid Adjudication Committee (BAC)**

The BAC constitute of senior officials mainly from the branches of the Department appointed by the Director-General. The other additional members are from the Supply Chain Management unit and the Chief Directorate: Legal and Legislative Services.

The BAC is responsible to review the specifications of the bids as proposed by the BSC, and make recommendations on these to the Director-General for approval, advertising, single-source appointments, emergency and urgent appointments. The BAC also considers the results/outcomes of the evaluation processes of the BEC and recommends to the Director-General to award, extend or cancel bids. The Committee adjudicates whether the bidding processes are fair, equitable, transparent, competitive and cost-effective, and ensures that these processes comply with the PFMA, other relevant legislation and Treasury Regulations. The Committee is scheduled to meet at least once in a month, but *ad hoc* meetings are arranged if necessary.

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The committees are properly constituted if at least 60% of its members are present. The members of the committees sign a register at each meeting, serving as the attendance register as well as an undertaking of confidentiality and declaration of interests.

The meetings are presided over by chairpersons. The members of the committees are not serving in more than one bid committee.

- **Information Technology Steering Committee (ITSC)**

The purpose of the ITSC, which meets once a month, is to review and endorse ICT plans, policies and standards. The ITSC co-ordinates and endorses compliance of the Department's ICT architecture, configuration and initiatives with the strategic directions of the Government Information Technology Officer Council (GITOC), as well as government policies and standards. The ITSC regulates the acquisition, deployment, use and disposal of all Information and Communications Technology, Information Systems and Information Management Systems (ICT/IS/IM) in the Department. This is done in terms of standardisation, need, quantity required, frequency of use, as well as the potential impact on work outcomes and cost advantages. Its role is to ensure that the office of the Government Information Technology Officer (GITO office) plans and investment in ICT supports the strategic goals of the Department.

- **Budget Review Advisory Committee (BRAC)**

BRAC advises the Accounting Officer on the allocation of departmental funds, conditional grants and donor funds, and ensures that allocations and reallocations are in line with the educational priorities for a particular financial year. BRAC is made up of the Department's senior management programme managers.

## 9. Discontinued activities/activities to be discontinued

None.

## 10. New/proposed activities

The Department embarked on an organisational review process since 2011/12 and the result was an approved macro-organisational structure for the Department that was submitted to the Minister of Public Service and Administration for consultation. The development of the micro-organisational structure commenced during the financial year. This could result in new/proposed activities over the medium term. Any new/proposed activities will be dealt with within the guidelines for the Medium Expenditure Framework.

## 11. Asset management

### 11.1 Progress with regard to capturing assets in a register

All assets, including all newly acquired assets, were captured on the asset register.

### 11.2 Indication of the extent of compliance with the minimum requirements

The asset register complies with the minimum requirements.

### 11.3 Indication of the extent of compliance with the Asset Management Reform Milestones

All assets were recorded in the asset register and a policy was developed on the reconciliation of assets between the asset register and the basic accounting system.

### 11.4 Indication of problems experienced with the Asset Management Reform

The recording of assets in the asset register takes place according to component accounting, while the recording of the payments for assets on the financial systems is treated as a unit. This results in reconciliation discrepancies between minor and major assets. A policy on the reconciliation between the asset register and the basic accounting system was therefore developed and implemented.

## 12. Events after the reporting date

A preliminary investigation was conducted by Internal Audit on the newly installed security system of the Department. This investigation led to an approval by the Accounting Officer to perform a fully fledged forensic audit on the purchasing and installation of the system and to classify all expenditure to date as irregular.

## 13. Information on predetermined objectives

The Department was responsible for the development of policy on educational and skills-related matters in relation to monitoring and evaluating policy implementation. The information on predetermined objectives is included under Chapter 2 of this report.

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**

VOTE 17

**REPORT OF THE ACCOUNTING OFFICER***for the year ended 31 March 2013***14. Standing Committee on Public Accounts (SCOPA) resolutions**

None.

**15. Prior modifications to audit reports**

None.

**16. Exemptions and deviations received from the National Treasury**

None.

**17. Interim Financial Statements**

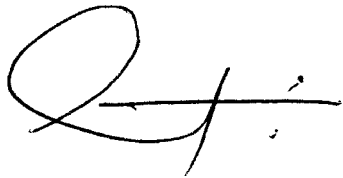
Interim Financial Statements were compiled according to the Treasury guidelines and submitted to National Treasury during the 2012/13 financial year.

**18. Other**

The Department reflects a bank overdraft as at 31 March 2013 to the amount of R153.230 million. This is due mainly to claims in respect of March 2013 for agency services rendered to the National Skills Fund and the Quality Council for Trades and Occupations. Furthermore it results from payments in respect of the NSF growth projects and outstanding balances of the Gauteng Education Department that were taken over from the former Department of Education. Claims in respect of March 2013 payments were only issued in April 2013.

## 19. Approval

The Annual Financial Statements, set out on pages 208 to 272, were approved by the Accounting Officer.

A handwritten signature in black ink, appearing to be 'GF Qonde', written over a horizontal line.

Mr GF Qonde  
Director-General  
31 May 2013

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 17: DEPARTMENT OF HIGHER EDUCATION AND TRAINING

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the financial statements of the Department of Higher Education and Training set out on pages 208 to 259, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation of these financial statements in accordance with the departmental financial reporting framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA) and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Higher Education and Training as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the departmental financial reporting framework prescribed by the National Treasury, the requirements of the PFMA and DoRA.

**Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

**Significant uncertainties**

8. As disclosed in disclosure note 20 to the financial statements, the Department is the defendant in law suits. The Department is opposing the claims. The ultimate outcome of the matters cannot be presently determined.

**Restatement of corresponding figures**

9. As disclosed in disclosure note 24 to the financial statements, the corresponding figure for lease commitment for 31 March 2012 has been restated as a result of a calculation error discovered during 31 March 2013 in the financial statements of the DHET relating to the year ending 31 March 2012.
10. As disclosed in notes 3, 10, 12, and 15 to the financial statements, the corresponding figures for departmental revenue, cash and cash equivalents, receivables and departmental revenue to be surrendered to the revenue fund for 31 March 2012 has been restated as a result of misinterpretation of the departmental reporting framework discovered during 31 March 2013 in the financial statements of the DHET relating to year ending 31 March 2012.

**Additional matter**

I draw attention to the matter below. My opinion is not modified in respect of this matter.

**Basis of accounting**

11. The financial reporting framework prescribed by the National Treasury and applied by the Department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 33 to 114 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. The material findings are as follows:

### Usefulness of information

#### Measurability

#### Performance targets are not specific

16. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that performance targets be specific in clearly identifying the nature and required level of performance. Significantly important targets in relation to programme 3 were not specific in clearly identifying the nature and the required level of performance.

#### Performance targets not time bound

17. The *National Treasury Framework for managing programme performance information (FMPPi)* requires that the time period or deadline for delivery be specified. Significantly important targets in relation to programme 3 were not time bound in specifying a time period or deadline for delivery.



**Indicators/measures not verifiable**

18. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that it must be possible to validate the processes and systems that produce the indicator. Significantly important indicators in relation to programme 4 were not verifiable in that valid processes and systems that produce the information on actual performance did not exist.

**Reliability of information****Programme 3: University Education**

19. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets with respect to programme 3 are materially misstated.

**Programme 4: Vocational and Continuing Education and Training**

20. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of information presented with respect to significant targets in programme 4.

This was due to limitations placed on the scope of my work due to the absence of systems in place to verify the reporting of actual achievements against significant planned objectives, indicators and targets. The institutions systems did not allow me to perform alternative procedures.

**Programme 5: Skills Development**

21. The National Treasury *Framework for managing programme performance information (FMPPi)* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

I was unable to obtain the information and explanations I considered necessary to satisfy myself as to the reliability of information presented with respect to a significant target in programme 5.

This was due to limitations placed on the scope of my work due to the absence of systems in place to verify the reporting of actual achievements against significant planned objectives, indicators and targets. The institutions systems did not allow me to perform alternative procedures.

**Additional matter**

22. I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

**Achievement of planned targets**

23. Of the total number of 110 targets planned for the year, 42 were not achieved during the year under review. This represents 39% of total planned targets that were not achieved during the year under review.

This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

**Compliance with laws and regulations**

24. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

**Human resource management and compensation**

25. The accounting officer did not perform verification processes prior to appointments of new officials as required by Public Service Regulation Chapter 1 / VI I / D.8.

**Annual financial statements**

26. The financial statements submitted for audit purposes did not comply with section 40(1) (a) of the PFMA. The material misstatement identified by the AGSA with regards to cash and cash equivalents, receivables, departmental revenue and NRF receipts to be surrendered to the revenue fund and the employee benefits disclosure note was subsequently corrected.

**Other**

27. The Sector Education and Training Authorities' revised strategic plans were not approved before the beginning of the financial year by the Minister as required by Treasury Regulation 30.1.

**Internal control**

28. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

**Leadership**

29. Management developed action plans to address previously reported root causes resulting from previous year and recurring findings. However some committed action plans are not yet implemented.
30. There is inadequate consequence management for action plans not implemented to address previously reported internal control deficiencies by external and internal audit.
31. The department does not have documented policies and procedures at a programme level for collating, recording and verifying of reporting on actual achievement of planned objectives, indicators and targets.

**Financial and performance management**

32. The department does not have adequate processes in place to ensure that financial disclosure notes included in financial statements are accurate.

**Governance**

33. Appropriate risk management activities were not implemented to manage risks identified from the risk assessment process.

**OTHER REPORTS****Investigations**

34. An investigation is being undertaken by an independent consulting firm regarding supply chain management process followed for the procurement of a security system. The investigation was still ongoing at reporting date.

**Performance audits**

35. A performance audit of the Adult Basic Education and Training (ABET) programme was conducted. The audit focused on the economic, efficient and effective use of resources in the ABET programme. The audit is currently in the reporting phase and the findings will be reported in a separate report.

*Auditor-General*

**Pretoria**  
**31 July 2013**



APPROPRIATION STATEMENT  
for the year ended 31 March 2013

APPROPRIATION PER PROGRAMME									
	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payments	160 622	(107)	6 837	167 352	166 875	477	99.7	151 746	149 632
Transfers and subsidies	1 014	-	205	1 219	1 172	47	96.1	268	267
Payments for capital assets	2 530	107	943	3 580	3 575	5	99.9	3 674	2 426
Payments for financial assets	-	-	-	-	33	(33)	0.0	-	79
	164 166	-	7 985	172 151	171 655	496		155 688	152 404
<b>2. Human Resource Development, Planning and Monitoring Coordination</b>									
Current payments	41 584	(8)	(1 283)	40 293	39 899	394	99.0	36 004	35 419
Transfers and subsidies	2 544	-	96	2 640	2 639	1	100.0	2 443	2 379
Payments for capital assets	214	8	90	312	291	21	99.3	287	276
	44 342	-	(1 097)	43 245	42 829	416		38 734	38 074
<b>3. University Education</b>									
Current payments	43 134	-	(3 745)	39 389	38 922	467	98.8	36 588	36 005
Transfers and subsidies	26 189 237	-	311	26 189 548	26 189 468	80	100.0	23 392 215	23 392 215
Payments for capital assets	321	-	12	333	323	10	97.0	188	119
Payments for financial assets	-	-	-	-	-	-	0.0	-	17
	26 232 692	-	(3 422)	26 229 270	26 228 713	557		23 428 991	23 428 356
<b>4. Vocational and Continuing Education and Training</b>									
Current payments	198 235	-	3 934	202 169	200 102	2 067	99.0	169 395	164 994
Transfers and subsidies	4 844 607	-	520	4 845 127	4 845 119	8	100.0	4 375 405	4 375 403
Payments for capital assets	1 410	-	(554)	856	720	136	84.1	663	441

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 17

APPROPRIATION STATEMENT  
for the year ended 31 March 2013

APPROPRIATION PER PROGRAMME									
	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	5 044 252	-	3 900	5 048 152	5 045 941	2 211		4 545 463	4 540 838
<b>5. Skills Development</b>									
Current payments	79 830	(7)	(7 937)	71 886	71 820	66	99.9	75 601	74 713
Transfers and subsidies	20 417	-	482	20 899	20 896	3	100.0	46 872	46 869
Payments for capital assets	452	7	89	548	546	2	99.6	8 165	443
	100 699	-	(7 366)	93 333	93 262	71		130 638	122 025
<b>Subtotal</b>	<b>31 586 151</b>	<b>-</b>	<b>-</b>	<b>31 586 151</b>	<b>31 582 400</b>	<b>3 751</b>	<b>100.0</b>	<b>28 299 514</b>	<b>28 281 697</b>
<b>Statutory Appropriation</b>									
Transfers and subsidies	11 694 493	-	-	11 694 493	11 694 493	-	100.0	10 095 113	10 025 251
<b>TOTAL</b>	<b>43 280 644</b>	<b>-</b>	<b>-</b>	<b>43 280 644</b>	<b>43 276 893</b>	<b>3 751</b>	<b>100.0</b>	<b>38 394 627</b>	<b>38 306 948</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				10 913				10 272	
Aid assistance				883				6 487	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>43 292 440</b>				<b>38 411 386</b>	
<b>Add:</b> Aid assistance					883				6 487
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>					<b>43 277 776</b>				<b>38 313 435</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 17APPROPRIATION STATEMENT  
for the year ended 31 March 2013

	APPROPRIATION PER ECONOMIC CLASSIFICATION								
	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	374 120	-	(11 046)	363 074	360 434	2 640	99.3	310 168	305 598
Goods and services	149 285	(122)	8 852	158 015	157 184	831	99.5	159 166	155 165
<b>Transfers and subsidies</b>									
Provinces and municipalities	4 844 607	-	-	4 844 607	4 844 607	-	100.0	4 375 311	4 375 311
Departmental agencies and accounts	16 996 397	-	117	16 996 514	16 996 473	41	100.0	14 177 158	14 107 295
Universities and technikons	20 902 860	-	-	20 902 860	20 902 779	81	100.0	19 354 159	19 354 159
Foreign governments and international organisations	2 544	-	96	2 640	2 639	1	100.0	2 443	2 379
Non-profit institutions	5 000	-	-	5 000	5 000	-	100.0	3 000	3 000
Households	904	-	1 401	2 305	2 289	16	99.3	245	240
<b>Payments for capital assets</b>									
Machinery and equipment	4 752	122	755	5 629	5 455	174	96.9	12 862	3 591
Software and other intangible assets	175	-	(175)	-	-	-	-	115	114
<b>Payments for financial assets</b>									
	-	-	-	-	33	(33)	0.0	-	96
<b>Total</b>	<b>43 280 644</b>	<b>-</b>	<b>-</b>	<b>43 280 644</b>	<b>43 276 893</b>	<b>3 751</b>	<b>100.0</b>	<b>38 394 627</b>	<b>38 306 948</b>

	STATUTORY APPROPRIATION								
	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Direct charge against the National Revenue Fund</b>									
Sector Education and Training Authorities (SETAs)	9 355 595	-	-	9 355 595	9 355 595	-	100.0	8 077 297	8 021 408
National Skills Fund	2 338 898	-	-	2 338 898	2 338 898	-	100.0	2 017 816	2 003 843
<b>Total</b>	<b>11 694 493</b>	<b>-</b>	<b>-</b>	<b>11 694 493</b>	<b>11 694 493</b>	<b>-</b>	<b>100.0</b>	<b>10 095 113</b>	<b>10 025 251</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

## APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Ministry</b>									
Current payments	29 145	(98)	(615)	28 432	28 377	55	99.8	29 195	28 967
Transfers and subsidies	685	-	10	695	685	10	98.6	-	-
Payments for capital assets	314	98	162	574	573	1	99.8	1 136	951
<b>1.2 Department Management</b>									
Current payments	26 830	-	2 728	29 558	29 434	124	99.6	23 527	23 056
Transfers and subsidies	126	-	2	128	126	2	98.4	72	70
Payments for capital assets	217	-	468	685	681	4	99.4	285	224
<b>1.3 Corporate Services</b>									
Current payments	93 634	(9)	(4 162)	89 463	89 168	295	99.7	79 714	78 300
Transfers and subsidies	203	-	193	396	361	35	91.2	196	197
Payments for capital assets	1 999	9	313	2 321	2 321	-	100.0	2 253	1 251
Payments for financial assets	-	-	-	-	33	(33)	0.0	-	79
<b>1.4 Office Accommodation</b>									
Current payments	11 013	-	8 886	19 899	19 896	3	100.0	19 310	19 309
<b>Total</b>	<b>164 166</b>	<b>-</b>	<b>7 985</b>	<b>172 151</b>	<b>171 655</b>	<b>496</b>	<b>99.7</b>	<b>155 688</b>	<b>152 404</b>



## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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## APPROPRIATION STATEMENT

Detail per programme 1 - Administration

for the year ended 31 March 2013

Programme 1 per economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	90 901	-	(2 613)	88 288	88 023	265	99.7	70 741	70 023
Goods and services	69 721	(107)	9 450	79 064	78 852	212	99.7	81 005	79 609
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	175	-	85	260	219	41	84.2	157	157
Households	839	-	120	959	953	6	99.4	111	110
<b>Payments for capital assets</b>									
Machinery and equipment	2 355	107	1 118	3 580	3 575	5	99.9	3 559	2 312
Software and other intangible assets	175	-	(175)	-	-	-	-	115	114
<b>Payments for financial assets</b>									
	-	-	-	-	33	(33)	0.0	-	79
<b>Total</b>	<b>164 166</b>	<b>-</b>	<b>7 985</b>	<b>172 151</b>	<b>171 655</b>	<b>496</b>	<b>99.7</b>	<b>155 688</b>	<b>152 404</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

## APPROPRIATION STATEMENT

Detail per programme 2 - Human Resource Development, Planning and Monitoring Coordination  
for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>2.1 Programme Management: Human Resource Development, Planning and Monitoring Coordination</b>									
Current payments	2 987	-	1 063	4 050	4 008	42	99.0	3 041	2 970
Payments for capital assets	10	-	7	17	16	1	94.1	-	-
<b>2.2 Human Resource Development, Strategic Planning and Coordination</b>									
Current payments	10 794	(58)	(1 632)	9 104	8 998	106	98.8	10 027	9 996
Payments for capital assets	64	-	79	143	129	14	90.2	36	34
<b>2.3 Planning, Information, Monitoring and Evaluation Coordination</b>									
Current payments	7 220	-	(645)	6 575	6 458	117	98.2	5 077	4 786
Payments for capital assets	98	-	(43)	55	53	2	96.4	70	68
<b>2.4 International Relations</b>									
Current payments	9 174	-	(917)	8 257	8 159	98	98.8	7 570	7 511
Transfers and subsidies	2 544	-	96	2 640	2 639	1	100.0	2 443	2 379
Payments for capital assets	42	-	15	57	54	3	94.7	32	30
<b>2.5 Legal and Legislative Services</b>									
Current payments	7 159	-	7	7 166	7 135	31	99.6	6 864	6 754
Payments for capital assets	-	-	8	8	7	1	87.5	86	83
<b>2.6 Social Inclusion in Higher Education and Training</b>									
Current payments	4 250	50	841	5 141	5 141	-	100.0	3 425	3 402
Payments for capital assets	-	8	24	32	32	-	100.0	63	61
<b>Total</b>	<b>44 342</b>	<b>-</b>	<b>(1 097)</b>	<b>43 245</b>	<b>42 829</b>	<b>416</b>	<b>99.0</b>	<b>38 734</b>	<b>38 074</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

## APPROPRIATION STATEMENT

Detail per programme 2 - Human Resource Development, Planning and Monitoring Coordination  
for the year ended 31 March 2013

Programme 2 per economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	35 967	-	(2 268)	33 699	33 412	287	99.1	27 623	27 507
Goods and services	5 617	(8)	985	6 594	6 487	107	98.4	8 381	7 912
<b>Transfers and subsidies</b>									
Foreign governments and international organisations	2 544	-	96	2 640	2 639	1	100.0	2 443	2 379
<b>Payments for capital assets</b>									
Machinery and equipment	214	8	90	312	291	21	93.3	287	276
<b>Total</b>	<b>44 342</b>	<b>-</b>	<b>(1 097)</b>	<b>43 245</b>	<b>42 829</b>	<b>416</b>	<b>99.0</b>	<b>38 734</b>	<b>38 074</b>

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
VOTE 17  
APPROPRIATION STATEMENT

Detail per programme 3 - University Education  
for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Programme Management: University Education</b>									
Current payments	3 584	-	(1 950)	1 634	1 588	46	97.2	1 865	1 843
Payments for capital assets	22	-	11	33	32	1	97.0	-	-
<b>3.2 University – Academic Planning and Management</b>									
Current payments	9 565	-	(546)	9 019	8 960	59	99.3	9 234	9 109
Transfers and subsidies	5 281 377	-	248	5 281 625	5 281 626	(1)	100.0	4 035 056	4 035 056
Payments for capital assets	94	-	56	150	148	2	98.7	60	32
<b>3.3 University – Financial Planning and Information Systems</b>									
Current payments	8 773	-	1 233	10 006	9 855	151	98.5	8 000	7 824
Payments for capital assets	71	-	(28)	43	39	4	90.7	38	31
<b>3.4 University – Policy and Development</b>									
Current payments	13 467	-	(1 731)	11 736	11 619	117	99.0	10 848	10 688
Transfers and subsidies	5 000	-	63	5 063	5 063	-	100.0	3 000	3 000
Payments for capital assets	88	-	(7)	81	79	2	97.5	58	39
Payments for financial assets	-	-	-	-	-	-	-	-	17
<b>3.5 Teacher Education</b>									
Current payments	7 745	-	(751)	6 994	6 900	94	98.7	6 641	6 541
Payments for capital assets	46	-	(20)	26	25	1	96.2	32	17
<b>3.6 University Subsidies</b>									
Transfers and subsidies	20 902 860	-	-	20 902 860	20 902 779	81	100.0	19 354 159	19 354 159
<b>Total</b>	<b>26 232 692</b>	<b>-</b>	<b>(3 422)</b>	<b>26 229 270</b>	<b>26 228 713</b>	<b>557</b>	<b>100.0</b>	<b>23 428 991</b>	<b>23 428 356</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

VOTE 17

## APPROPRIATION STATEMENT

Detail per programme 3 - University Education  
for the year ended 31 March 2013

Programme 3 per economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	36 072	-	(5 181)	30 891	30 579	312	99.0	29 030	28 804
Goods and services	7 062	-	1 436	8 498	8 343	155	98.2	7 558	7 201
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	5 281 377	-	-	5 281 377	5 281 377	-	100.0	4 035 056	4 035 056
Universities and technikons	20 902 860	-	-	20 902 860	20 902 779	81	100.0	19 354 159	19 354 159
Non-profit institutions	5 000	-	-	5 000	5 000	-	100.0	3 000	3 000
Households	-	-	311	311	312	(1)	100.3	-	-
<b>Payments for capital assets</b>									
Machinery and equipment	321	-	12	333	323	10	97.0	188	119
<b>Payments for financial assets</b>									
Payments for financial assets	-	-	-	-	-	-	0.0	-	17
<b>Total</b>	<b>26 232 692</b>	<b>-</b>	<b>(3 422)</b>	<b>26 229 270</b>	<b>26 228 713</b>	<b>557</b>	<b>100.0</b>	<b>23 428 991</b>	<b>23 428 356</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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## APPROPRIATION STATEMENT

Detail per programme 4 - Vocational and Continuing Education and Training  
for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Programme Management: Vocational and Continuing Education and Training</b>									
Current payments	4 921	-	(399)	4 522	4 492	30	99.3	1 318	1 266
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Payments for capital assets	86	-	141	227	225	2	99.1	28	12
<b>4.2 Planning and Institutional Support</b>									
Current payments	19 307	-	(1 788)	17 519	17 396	123	99.3	15 804	15 438
Transfers and subsidies	4 844 607	-	83	4 844 690	4 844 689	1	100.0	4 375 311	4 375 311
Payments for capital assets	122	-	18	140	130	10	92.9	52	26
<b>4.3 Programmes and Qualifications</b>									
Current payments	174 007	-	6 121	180 128	178 214	1 914	98.9	152 273	148 290
Transfers and subsidies	-	-	437	437	430	7	98.4	92	90
Payments for capital assets	1 202	-	(713)	489	365	124	74.6	583	403
<b>Total</b>	<b>5 044 252</b>	<b>-</b>	<b>3 900</b>	<b>5 048 152</b>	<b>5 045 941</b>	<b>2 211</b>	<b>100.0</b>	<b>4 545 463</b>	<b>4 540 838</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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## APPROPRIATION STATEMENT

Detail per programme 4 - Vocational and Continuing Education and Training  
for the year ended 31 March 2013

Programme 4 per economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	145 393	-	3 517	148 910	147 152	1 758	98.8	119 090	116 040
Goods and services	52 842	-	417	53 259	52 950	309	99.4	50 305	48 954
<b>Transfers and subsidies</b>									
Provinces and municipalities	4 844 607	-	-	4 844 607	4 844 607	-	100.0	4 375 311	4 375 311
Departmental agencies and accounts	-	-	-	-	-	-	-	2	2
Households	-	-	520	520	512	8	98.5	92	90
<b>Payments for capital assets</b>									
Machinery and equipment	1 410	-	(554)	856	720	136	84.1	663	441
<b>Total</b>	<b>5 044 252</b>	<b>-</b>	<b>3 900</b>	<b>5 048 152</b>	<b>5 045 941</b>	<b>2 211</b>	<b>100.0</b>	<b>4 545 463</b>	<b>4 540 838</b>

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
VOTE 17  
**APPROPRIATION STATEMENT**

Detail per programme 5 - Skills Development  
for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>5.1 Programme Management: Skills Development</b>									
Current payments	2 088	-	(104)	1 984	1 973	11	99.4	4 279	4 211
Payments for capital assets	10	-	67	77	76	1	98.7	40	39
<b>5.2 SETA Coordination</b>									
Current payments	70 682	(7)	(6 618)	64 057	64 024	33	99.9	65 690	64 941
Transfers and subsidies	65	-	482	547	544	3	99.5	42	40
Payments for capital assets	415	7	7	429	429	-	100.0	7 908	382
<b>5.3 National Skills Development Services</b>									
Current payments	7 060	-	(1 215)	5 845	5 823	22	99.6	5 632	5 561
Transfers and subsidies	-	-	-	-	-	-	-	19 941	19 940
Payments for capital assets	27	-	15	42	41	1	97.6	217	22
<b>5.4 Quality Development and Promotion</b>									
Transfers and subsidies	20 352	-	-	20 352	20 352	-	100.0	26 889	26 889
<b>Total</b>	<b>100 699</b>	<b>-</b>	<b>(7 366)</b>	<b>93 333</b>	<b>93 262</b>	<b>71</b>	<b>99.9</b>	<b>130 638</b>	<b>122 025</b>



## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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## APPROPRIATION STATEMENT

Detail per programme 5 - Skills Development  
for the year ended 31 March 2013

Programme 5 per economic classification	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	65 787	-	(4 501)	61 286	61 268	18	100.0	63 684	63 224
Goods and services	14 043	(7)	(3 436)	10 600	10 552	48	99.5	11 917	11 489
<b>Transfers and subsidies</b>									
Departmental agencies and accounts	20 352	-	32	20 384	20 384	-	100.0	46 830	46 829
Households	65	-	450	515	512	3	99.4	42	40
<b>Payments for capital assets</b>									
Machinery and equipment	452	7	89	548	546	2	99.6	8 165	443
<b>Total</b>	<b>100 699</b>	<b>-</b>	<b>(7 366)</b>	<b>93 333</b>	<b>93 262</b>	<b>71</b>	<b>99.9</b>	<b>130 638</b>	<b>122 025</b>

## DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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## APPROPRIATION STATEMENT

Detail per programme 6 - Direct Charges  
for the year ended 31 March 2013

Programme 6 per economic classification	2012/13						Expenditure as % of final appropriation	2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance		Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>Transfers and Subsidies</b>									
Departmental agencies and accounts	11 694 493	-	-	11 694 493	11 694 493	-	100.0	10 095 113	10 025 251
<b>Total</b>	<b>11 694 493</b>	<b>-</b>	<b>-</b>	<b>11 694 493</b>	<b>11 694 493</b>	<b>-</b>	<b>100.0</b>	<b>10 095 113</b>	<b>10 025 251</b>

**1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in the note on Transfers and Subsidies, disclosure notes and Annexure 1 (A-E) to the Annual Financial Statements.

**2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

**3. Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

**4. Explanations of material variances from Amounts Voted (after virement):****4.1 Per programme:****Administration**

There were no material variances on this programme.

**Human Resource Development, Planning and Monitoring Coordination**

There were no material variances on this programme.

**University Education**

There were no material variances on this programme.

**Vocational and Continuing Education and Training**

There were no material variances on this programme.

**Skills Development**

There were no material variances on this programme.

Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
172 151	171 655	496	0.29
43 245	42 829	416	0.96
26 229 270	26 228 713	557	0.00
5 048 152	5 045 941	2 211	0.04
93 333	93 262	71	0.08

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2013

**4.2 Per economic classification:**

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
<b>Current expenditure</b>				
Compensation of employees	363 074	360 434	2 640	0.73
Goods and services	158 015	157 184	831	0.53
<b>Transfers and subsidies</b>				
Provinces and municipalities	4 844 607	4 844 607	-	0.00
Departmental agencies and accounts	16 996 514	16 996 473	41	0.00
Universities and technikons	20 902 860	20 902 779	81	0.00
Foreign governments and international organisations	2 640	2 639	1	0.04
Non-profit institutions	5 000	5 000	-	0.00
Households	2 305	2 289	16	0.69
<b>Payments for capital assets</b>				
Machinery and equipment	5 629	5 455	174	3.09
<b>Payments for financial assets</b>	-	33	(33)	(100.00)

There were no material variances.

**4.3 Per conditional grant:**

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
<b>Higher Education and Training</b>				
Further Education and Training Colleges Grant	4 844 607	4 844 607	-	0.00

There were no material variances.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2013

**REVENUE**

Annual appropriation  
Statutory appropriation  
Departmental revenue  
Aid assistance

**TOTAL REVENUE**

**EXPENDITURE**

**Current expenditure**

Compensation of employees  
Goods and services

**Total current expenditure**

**Transfers and subsidies**

Transfers and subsidies  
Aid assistance

**Total transfers and subsidies**

**Expenditure for capital assets**

Tangible capital assets  
Software and other intangible assets

**Total expenditure for capital assets**

**Payments for financial assets**

**TOTAL EXPENDITURE**

**SURPLUS FOR THE YEAR**

**Reconciliation of Net Surplus for the year**

Voted Funds  
Annual appropriation  
Departmental revenue and NRF receipts

**SURPLUS FOR THE YEAR**

	2012/13	2011/12
<i>Note</i>	R'000	R'000
1	31 586 151	28 299 514
2	11 694 493	10 095 113
3	10 913	10 272
4	883	6 487
	<b>43 292 440</b>	<b>38 411 386</b>
5	360 434	305 598
6	157 184	155 165
	<b>517 618</b>	<b>460 763</b>
8	42 753 787	37 842 384
4	883	6 487
	<b>42 754 670</b>	<b>37 848 871</b>
9	5 455	3 591
9	-	114
	<b>5 455</b>	<b>3 705</b>
7	33	96
	<b>43 277 776</b>	<b>38 313 435</b>
	<b>14 664</b>	<b>97 951</b>
	3 751	87 679
	3 751	87 679
15	10 913	10 272
	<b>14 664</b>	<b>97 951</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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STATEMENT OF FINANCIAL POSITION  
*as at 31 March 2013*

	2012/13	2011/12
<i>Note</i>	R'000	R'000
<b>ASSETS</b>		
<b>Current Assets</b>	<b>160 392</b>	<b>93 869</b>
Cash and cash equivalents	10 8 812	28 556
Prepayments and advances	11 8 254	2 244
Receivables	12 141 197	61 014
Loans	13 2 129	2 055
<b>Non-Current Assets</b>	<b>24 247</b>	<b>26 376</b>
Loans	13 24 247	26 376
<b>TOTAL ASSETS</b>	<b>184 639</b>	<b>120 245</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>	<b>157 876</b>	<b>91 506</b>
Voted funds to be surrendered to the Revenue Fund	14 3 721	87 652
Departmental revenue to be surrendered to the Revenue Fund	15 557	721
Bank overdraft	16 153 230	-
Payables	17 368	3 133
<b>TOTAL LIABILITIES</b>	<b>157 876</b>	<b>91 506</b>
<b>NET ASSETS</b>	<b>26 763</b>	<b>28 739</b>
<b>Represented by:</b>		
Capitalisation reserve	26 376	28 431
Recoverable revenue	387	308
<b>TOTAL</b>	<b>26 763</b>	<b>28 739</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

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STATEMENT OF CHANGES IN NET ASSETS  
*for the year ended 31 March 2013*

**Capitalisation Reserves**

Opening balance

Transfers:

Other movements

Closing balance

**Recoverable revenue**

Opening balance

Transfers:

Debts recovered

Debts raised

Closing balance

**TOTAL**

	2012/13	2011/12
<i>Note</i>	R'000	R'000
	28 431	30 384
	(2 055)	(1 953)
	<b>26 376</b>	<b>28 431</b>
	308	-
	<b>79</b>	<b>308</b>
	(62)	-
	141	308
	<b>387</b>	<b>308</b>
	<b>26 763</b>	<b>28 739</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
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CASH FLOW STATEMENT  
for the year ended 31 March 2013

	2012/13	2011/12
<i>Note</i>	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts	<b>43 292 410</b>	<b>38 411 352</b>
Annual appropriated funds received	1.1 31 586 121	28 299 487
Statutory appropriated funds received	2 11 694 493	10 095 113
Departmental revenue received	3 10 913	10 265
Aid assistance received	4 883	6 487
Net (increase)/ decrease in working capital	(88 958)	(51 503)
Surrendered to Revenue Fund	(98 729)	(78 378)
Surrendered to RDP Fund/Donor	-	228
Current payments	(517 618)	(460 763)
Payments for financial assets	(33)	(96)
Transfers and subsidies paid	(42 754 670)	(37 848 871)
<b>Net cash flow available from operating activities</b>	<b>18 (167 598)</b>	<b>(28 031)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets	9 (5 455)	(3 705)
Proceeds from sale of capital assets	3.3 -	7
(Increase)/ decrease in loans	2 055	1 953
<b>Net cash flows from investing activities</b>	<b>(3 400)</b>	<b>(1 745)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/ (decrease) in net assets	(1 976)	(1 645)
<b>Net cash flows from financing activities</b>	<b>(1 976)</b>	<b>(1 645)</b>
Net increase/ (decrease) in cash and cash equivalents	(172 974)	(31 421)
Cash and cash equivalents at beginning of period	28 556	59 977
<b>Cash and cash equivalents at end of period</b>	<b>19 (144 418)</b>	<b>28 556</b>



**ACCOUNTING POLICIES**  
*for the year ended 31 March 2013*

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 5 of 2012.

## **1. Presentation of the Financial Statements**

### **1.1 Basis of preparation**

The Financial Statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the Financial Statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the Financial Statements where it is deemed to be useful to the users of the financial statements.

### **1.2 Presentation currency**

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

### **1.3 Rounding**

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

### **1.4 Comparative figures**

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

### **1.5 Comparative figures - Appropriation Statement**

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**

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**ACCOUNTING POLICIES***for the year ended 31 March 2013***2. Revenue****2.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Any amounts owing to the National Revenue Fund at the end of the financial year are recognised as payable in the Statement of Financial Position.

Any amount due from the National Revenue Fund at the end of the financial year is recognised as a receivable in the Statement of Financial Position.

**2.2 Departmental revenue**

All Departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Fund at the end of the financial year is recognised as a payable in the Statement of Financial Position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the Annual Financial Statements.

**2.3 Direct Exchequer receipts**

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Funds at the end of the financial year is recognised as a payable in the Statement of Financial Position.

**2.4 Direct Exchequer payments**

All direct exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system.

## 2.5 Aid assistance

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the Statement of Financial Performance when final authorisation for payments is effected on the system.

The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

## 3. Expenditure

### 3.1 Compensation of employees

#### 3.1.1 Salaries and wages

Salaries and wages are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the Financial Statements at its face value and are not recognised in the Statements of Financial Performance or Position.

#### 3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

No provision is made for retirement benefits in the Financial Statements of the Department. Any potential liabilities are disclosed in the Financial Statements of the National Revenue Fund and not in the Financial Statements of the employer department.

Employer contributions made by the Department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the Statement of Financial Performance.

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**

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**ACCOUNTING POLICIES***for the year ended 31 March 2013***3.2 Goods and services**

Payments made during the year for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

The expense is classified as capital if the goods and services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

**3.3 Payments for financial assets**

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the Financial Statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

**3.4 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

**3.5 Unauthorised expenditure**

When confirmed, unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written-off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is derecognised in the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date stipulated in the Act.

**3.6 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

### **3.7 Irregular expenditure**

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

## **4. Assets**

### **4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

### **4.2 Prepayments and advances**

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

### **4.3 Receivables**

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

### **4.4 Loans**

Loans are recognised in the Statement of Financial Position when cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.

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Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.5 Inventory**

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

**4.6 Capital assets****4.6.1 Movable assets****Initial recognition**

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

**Subsequent recognition**

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital assets" and is capitalised in the asset register of the Department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

**4.6.2 Immovable assets****Initial recognition**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

### **Subsequent recognition**

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the Department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

### **4.6.3 Intangible assets**

#### **Initial recognition**

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

#### **Subsequent expenditure**

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset” and is capitalised in the asset register of the department.

Maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

## **5. Liabilities**

### **5.1 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the Statement of Financial Position.

### **5.2 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the Financial Statements when it is possible that economic benefits will flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

### **5.3 Contingent assets**

Contingent assets are included in the disclosure notes to the Financial Statements when it is probable that an inflow of economic benefits will flow to the entity.

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**ACCOUNTING POLICIES***for the year ended 31 March 2013***5.4 Commitments**

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

**5.5 Accruals**

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

**5.6 Employee benefits**

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

**5.7 Lease commitments****Finance lease**

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as a capital expense in the Statement of Financial Performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the Financial Statements.

**Operating lease**

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the Financial Statements.

**5.8 Impairment**

The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

**5.9 Provisions**

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.



## 6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the Annual Financial Statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

## 7. Net Assets

### 7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

### 7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

## 8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

## 9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

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1. Annual appropriation

1.1 Annual appropriation

**Programmes**

Administration	
Human Resource Development, Planning and Monitoring Coordination	
University Education	
Vocational and Continuing Education and Training	
Skills Development	

**Total**

	2012/13			2011/12
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received
	R'000	R'000	R'000	R'000
Administration	172 151	172 151	-	155 688
Human Resource Development, Planning and Monitoring Coordination	43 245	43 245	-	38 734
University Education	26 229 270	26 229 270	-	23 428 991
Vocational and Continuing Education and Training	5 048 152	5 048 122	30	4 545 463
Skills Development	93 333	93 333	-	130 611
<b>Total</b>	<b>31 586 151</b>	<b>31 586 121</b>	<b>30</b>	<b>28 299 487</b>

As a result of an oversight, the Department withdrawn R30 000 less than the projected drawings in December 2012.

2. Statutory appropriation

Sector Education and Training Authorities (SETAs)
National Skills Fund

**Total**

Actual statutory appropriation received

Note	2012/13 R'000	2011/12 R'000
	9 355 595	8 077 297
	2 338 898	2 017 816
	<b>11 694 493</b>	<b>10 095 113</b>
	<b>11 694 493</b>	<b>10 095 113</b>

3. Departmental revenue

Sales of goods and services other than capital assets
Interest, dividends and rent on land
Sales of capital assets
Transactions in financial assets and liabilities
Transfer received
Total revenue collected

**Departmental revenue collected**

3.1	4 965	3 957
3.2	3 458	3 512
3.3	-	7
3.4	2 410	2 796
3.5	80	-
	10 913	10 272
	<b>10 913</b>	<b>10 272</b>

ABSA Bank account balances at year end to interface to the Paymaster-General Account in the next financial year previously accounted for under Disclosure Note: Receivables for Departmental Revenue had to be bring to book: 2011/12: R10.272 million (was published as R10.130 million in 2011/12).

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**3.1 Sales of goods and services other than capital assets**

Sales of goods and services produced by the Department

Sales by market establishment

Administrative fees

Other sales

Sales of scrap, waste and other used current goods

**Total**

**3.2 Interest, dividends and rent on land**

Interest

**Total**

**3.3 Sales of capital assets**

**Tangible assets**

Machinery and equipment

**Total**

**3.4 Transactions in financial assets and liabilities**

Other receipts including recoverable revenue

**Total**

**3.5 Transfers received**

International organisations

Public corporations and private enterprises

**Total**

	2012/13	2011/12
<i>Note</i>	R'000	R'000
3	<b>4 949</b>	<b>3 918</b>
	457	390
	3 915	2 768
	577	760
	16	39
	<u><b>4 965</b></u>	<u><b>3 957</b></u>
3	3 458	3 512
	<u><b>3 458</b></u>	<u><b>3 512</b></u>
3	-	<b>7</b>
28	-	7
	<u><b>-</b></u>	<u><b>7</b></u>
3	2 410	2 796
	<u><b>2 410</b></u>	<u><b>2 796</b></u>
3	20	-
	60	-
	<u><b>80</b></u>	<u><b>-</b></u>

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	2012/13	2011/12
Note	R'000	R'000
<b>4. Aid assistance</b>		
<b>4.1 Aid assistance received in cash from RDP</b>		
<b>Foreign</b>		
Opening Balance	-	(228)
Revenue	883	6 487
Expenditure	<b>(883)</b>	<b>(6 487)</b>
Transfers	(883)	(6 487)
Surrendered to the RDP	-	228
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>4.2 Total</b>		
Opening Balance	-	(228)
Revenue	883	6 487
Expenditure	<b>(883)</b>	<b>(6 487)</b>
Transfers	(883)	(6 487)
Surrendered / Transferred to retained funds	-	<b>228</b>
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>4.3 Analysis of balance</b>		
<b>Aid assistance received</b>		
RDP	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>5. Compensation of employees</b>		
<b>5.1 Salaries and wages</b>		
Basic salary	189 936	159 410
Performance award	2 624	6 509
Service based	315	228
Compensative/circumstantial	84 910	63 260
Periodic payments	119	2 396
Other non-pensionable allowances	49 554	44 982
<b>Total</b>	<b>327 458</b>	<b>276 785</b>

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Note	2012/13	2011/12
	R'000	R'000
	22 535	19 395
	10 390	9 373
	50	44
	1	1
	<b>32 976</b>	<b>28 813</b>
	<b>360 434</b>	<b>305 598</b>
	906	808
	142	94
	4 520	4 269
6.1	1 561	670
	542	475
	5 471	4 105
	6 329	6 058
6.2	23 400	31 350
6.3	8 564	8 157
	50	106
6.4	6 317	6 191
	1 516	683
6.5	23 490	17 933
	2 465	5 567
6.6	21 199	20 205
	44	86
	955	-

5.2 Social contributions  
Employer contributions

Pension  
Medical  
Bargaining council  
Official unions and associations

**Total**

**Total compensation of employees**

Average number of employees

6. Goods and services

Administrative fees  
Advertising  
Assets less than R5 000  
Bursaries (employees)  
Catering  
Communication  
Computer services  
Consultants, contractors and agency/outsourced services  
Entertainment  
Audit cost – external  
Fleet services  
Inventory  
Operating leases  
Property payments  
Rental and hiring  
Transport provided as part of the departmental activities

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		2012/13	2011/12
	Note	R'000	R'000
Travel and subsistence	6.7	39 855	38 378
Venues and facilities		1 685	3 440
Training and staff development		1 751	1 629
Other operating expenditure	6.8	7 328	5 769
<b>Total</b>		<b>157 184</b>	<b>155 165</b>
<b>6.1 Assets less than R5 000</b>	6		
<b>Tangible assets</b>		<b>1 561</b>	<b>653</b>
Machinery and equipment		1 561	653
<b>Intangible assets</b>		-	17
<b>Total</b>		<b>1 561</b>	<b>670</b>
<b>6.2 Computer services</b>	6		
SITA computer services		20 933	30 304
External computer service providers		2 467	1 046
<b>Total</b>		<b>23 400</b>	<b>31 350</b>
<b>6.3 Consultants, contractors and agency/outsourced services</b>	6		
Business and advisory services		1 891	451
Laboratory services		49	-
Legal costs		1 440	3 899
Contractors		872	1 315
Agency and support/outsourced services		4 312	2 492
<b>Total</b>		<b>8 564</b>	<b>8 157</b>
<b>6.4 Audit cost – external</b>	6		
Regularity audits		5 613	4 938
Performance audits		104	791
Computer audits		600	462
<b>Total</b>		<b>6 317</b>	<b>6 191</b>

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		2012/13	2011/12
	<i>Note</i>	R'000	R'000
<b>6.5 Inventory</b>			
Learning and teaching support material	6	-	150
Food and food supplies		472	798
Fuel, oil and gas		60	25
Other consumables		1 309	927
Materials and supplies		2 355	1 930
Stationery and printing		19 288	14 103
Medical supplies		6	-
<b>Total</b>		<b>23 490</b>	<b>17 933</b>
<b>6.6 Property payments</b>			
Property management fees	6	19 896	19 331
Property maintenance and repairs		264	382
Other		1 039	492
<b>Total</b>		<b>21 199</b>	<b>20 205</b>
<b>6.7 Travel and subsistence</b>			
Local	6	33 644	32 144
Foreign		6 211	6 234
<b>Total</b>		<b>39 855</b>	<b>38 378</b>
<b>6.8 Other operating expenditure</b>			
Professional bodies, membership and subscription fees	6	10	-
Resettlement costs		2 948	2 237
Other		4 370	3 532
<b>Total</b>		<b>7 328</b>	<b>5 769</b>

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		2012/13	2011/12
	Note	R'000	R'000
<b>7. Payments for financial assets</b>			
Debts written off	7.1	33	96
<b>Total</b>		<b>33</b>	<b>96</b>
<b>7.1 Debts written off</b>	7		
<b>Nature of debts written off</b>			
Other debt written off			
No shows by non-officials – debt taken over from Department of Education		-	79
No show: The Airport Grand Hotel		-	17
Missing Photocopy Machine - Olivetti		33	-
<b>Total</b>		<b>33</b>	<b>96</b>
<b>Total debt written off</b>		<b>33</b>	<b>96</b>
<b>8. Transfers and subsidies</b>			
Provinces and municipalities	31	4 844 607	4 375 311
Departmental agencies and accounts	Annex 1A	16 996 473	14 107 295
Universities and technikons	Annex 1B	20 902 779	19 354 159
Foreign governments and international organisations	Annex 1C	2 639	2 379
Non-profit institutions	Annex 1D	5 000	3 000
Households	Annex 1E	2 289	240
<b>Total</b>		<b>42 753 787</b>	<b>37 842 384</b>
Unspent funds transferred to the above beneficiaries		18 976	357

An amount of R18.976 million was surrendered by Gauteng Provincial Treasury during January 2013 in respect of the FET College Conditional Grant.



**9. Expenditure for capital assets****Tangible assets**

Machinery and equipment

**Software and other intangible assets**

Patents, licences, copyright, brand names, trademarks

**Total**

Note	2012/13	2011/12
	R'000	R'000
	5 455	3 591
28	5 455	3 591
	-	114
29	-	114
	<u>5 455</u>	<u>3 705</u>

**9.1 Analysis of funds utilised to acquire capital assets - 2012/13****Tangible assets**

Machinery and equipment

**Total**

Voted funds	Aid assistance	Total
R'000	R'000	R'000
5 455	-	5 455
5 455	-	5 455
<u>5 455</u>	<u>-</u>	<u>5 455</u>

**9.2 Analysis of funds utilised to acquire capital assets - 2011/12****Tangible assets**

Machinery and equipment

**Software and other intangible assets**

Computer software

**Total**

Voted funds	Aid assistance	Total
R'000	R'000	R'000
3 591	-	3 591
3 591	-	3 591
114	-	114
114	-	114
<u>3 705</u>	<u>-</u>	<u>3 705</u>

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	Note	2012/13	2011/12
		R'000	R'000
<b>10. Cash and cash equivalents</b>			
Consolidated Paymaster-General Account		-	18 445
Cash receipts		48	52
Cash on hand		23	23
Cash with commercial banks (local)		8 741	10 036
<b>Total</b>		<b>8 812</b>	<b>28 556</b>

ABSA Bank account balances at year end to interface to the Paymaster-General Account in the next financial year previously accounted for under Disclosure Note: Receivables for Departmental Revenue had to be bring to book: 2011/12: R28.556 million (was published as R18.520 million in 2011/12).

<b>11. Prepayments and advances</b>			
Travel and subsistence		37	80
Prepayments		8 217	2 164
<b>Total</b>		<b>8 254</b>	<b>2 244</b>

ABSA Bank account balances at year end to interface to the Paymaster-General Account in the next financial year previously accounted for under Disclosure Note: Receivables for Departmental Revenue had to be bring to book: 2011/12: R2.244 million (was published as R2.224 million in 2011/12).

	Note	2012/13			2011/12	
		Less than one year	One to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
<b>12. Receivables</b>						
Claims recoverable	12.1 Annex 3	87 417	957	51 554	139 928	59 191
Recoverable expenditure	12.2	184	309	-	493	807
Staff debt	12.3	364	49	-	413	944
Other debtors	12.4	36	287	40	363	72
<b>Total</b>		<b>88 001</b>	<b>1 602</b>	<b>51 594</b>	<b>141 197</b>	<b>61 014</b>

ABSA Bank account balances at year end to interface to the Paymaster-General Account in the next financial year previously accounted for under Disclosure Note: Receivables for Departmental Revenue had to bring to book: 2011/12: R61.014 million (was published as R70.928 million in 2011/12).

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		2012/13	2011/12
	Note	R'000	R'000
<b>12.1 Claims recoverable</b>			
National departments		773	1 093
Provincial departments		51 460	51 513
Public entities		87 605	6 473
Private enterprises		90	45
Universities and technikons		-	67
<b>Total</b>		<b>139 928</b>	<b>59 191</b>
<i>The increase in claims recoverable is due mainly to claims in respect of March 2013 for agency services rendered to the National Skills Fund and for the payments in respect of the NSF growth projects for the 2012/13 financial year and outstanding balances of the Gauteng Education Department that were taken over from the former Department of Education. Claims in respect of March 2013 payments were only issued in April 2013.</i>			
<b>12.2 Recoverable expenditure (disallowance accounts)</b>			
Dishonoured cheques	12	24	10
Salaries		39	251
Miscellaneous		430	546
<b>Total</b>		<b>493</b>	<b>807</b>
<b>12.3 Staff debt</b>			
Motor accidents	12	43	29
Other		20	82
Pension Fund		176	524
Salary overpayment		174	309
<b>Total</b>		<b>413</b>	<b>944</b>
<b>12.4 Other debtors</b>			
Debt taken over from the Department of Education	12	35	35
Pension recoverable		15	15
Tax debt		17	22
Other debtors		296	-
<b>Total</b>		<b>363</b>	<b>72</b>

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	Note	2012/13	2011/12
		R'000	R'000
<b>13. Loans</b>			
Universities and technikons		26 376	28 431
<b>Total</b>		<b>26 376</b>	<b>28 431</b>
<b>Analysis of balance</b>			
Opening balance		28 431	30 384
New Issues		-	-
Repayments		(2 055)	(1 953)
<b>Closing balance</b>		<b>26 376</b>	<b>28 431</b>
Cape Peninsula University of Technology		3 653	4 025
Durban Institute of Technology		7 107	7 514
Nelson Mandela Metropolitan University		281	362
Tshwane University of Technology		7 325	7 851
Vaal University of Technology		2 721	2 913
University of Johannesburg		4 693	5 008
University of Stellenbosch		596	758
		<b>26 376</b>	<b>28 431</b>
Current portion of loans		2 129	2 055
<b>14. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		87 652	68 817
Transfer from Statement of Financial Performance		3 751	87 679
Voted funds not requested/not received	1.1	(30)	(27)
Paid during the year		(87 652)	(68 817)
<b>Closing balance</b>		<b>3 721</b>	<b>87 652</b>

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	2012/13	2011/12
Note	R'000	R'000
<b>15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund</b>		
Opening balance	721	10
Transfer from Statement of Financial Performance	10 913	10 272
Paid during the year	(11 077)	(9 561)
<b>Closing balance</b>	<b>557</b>	<b>721</b>
<i>ABSA Bank account balances at year end to interface to the Paymaster-General Account in the next financial year previously accounted for under Disclosure Note: Receivables for Departmental Revenue had to be bring to book: 2011/12: R721 000 (was published as R579 000 in 2011/12)</i>		
<b>16. Bank Overdraft</b>		
Consolidated Paymaster-General Account	153 230	-
<b>Total</b>	<b>153 230</b>	<b>-</b>
<i>The bank overdraft is due mainly to claims in respect of March 2013 for agency services rendered to the National Skills Fund and for the payments in respect of the NSF growth projects for the 2012/13 financial year and outstanding balances of the Gauteng Education Department that were taken over from the former Department of Education. Claims in respect of March 2013 payments were only issued in April 2013.</i>		
<b>17. Payables - current</b>		
Clearing accounts	17.1 256	2 224
Other payables	17.2 112	909
<b>Total</b>	<b>368</b>	<b>3 133</b>
<b>17.1 Clearing accounts</b>	17	
Tax RSA	256	1 865
Other	-	359
<b>Total</b>	<b>256</b>	<b>2 224</b>
<b>17.2 Other payables</b>	17	
Unidentified deposits	97	543
Other	15	366
<b>Total</b>	<b>112</b>	<b>909</b>

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Note	2012/13	2011/12
	R'000	R'000
<b>18. Net cash flow available from operating activities</b>		
Net surplus/(deficit) as per Statement of Financial Performance	14 664	97 951
Add back non cash/cash movements not deemed operating activities	(182 262)	(125 982)
(Increase)/decrease in receivables – current	(80 183)	(49 819)
(Increase)/decrease in prepayments and advances	(6 010)	(975)
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	(2 765)	(709)
Proceeds from sale of capital assets	-	(7)
Expenditure on capital assets	5 455	3 705
Surrenders to Revenue Fund	(98 729)	(78 378)
Surrenders to RDP Fund/Donor	-	228
Voted funds not requested/not received	(30)	(27)
<b>Net cash flow generated by operating activities</b>	<b>(167 598)</b>	<b>(28 031)</b>

ABSA Bank account balances at year end to interface to the Paymaster-General Account in the next financial year previously accounted for under Disclosure Note: Receivables for Departmental Revenue had to be bring to book: 2011/12: R28.031 million (was published as R38.067 million in 2011/12).

<b>19. Reconciliation of cash and cash equivalents for cash flow purposes</b>		
Consolidated Paymaster-General Account	(153 230)	18 445
Cash receipts	48	52
Cash on hand	23	23
Cash with commercial banks (Local)	8 741	10 036
<b>Total</b>	<b>(144 418)</b>	<b>28 556</b>

ABSA Bank account balances at year end to interface to the Paymaster-General Account in the next financial year previously accounted for under Disclosure Note: Receivables for Departmental Revenue had to be bring to book: 2011/12: R28.556 million (was published as R18.520 million in 2011/12).

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## 20. Contingent liabilities and contingent assets

## 20.1 Contingent liabilities

## Liable to

Motor vehicle guarantees  
Housing loan guarantees  
Other guarantees  
Claims against the department

## Total

## Nature

Employees  
Employees

Note	2012/13	2011/12
	R'000	R'000
Annex 2A	-	122
Annex 2A	267	317
Annex 2A	9 362	19 822
Annex 2B	11 800	5 890
	<b>21 429</b>	<b>26 151</b>

## 21. Commitments

## Current expenditure

Approved and contracted  
Approved but not yet contracted

## Capital expenditure (including transfers)

Approved and contracted

## Total Commitments

	10 762	6 072
	-	619
	<b>10 762</b>	<b>6 691</b>
	483	1 043
	<b>483</b>	<b>1 043</b>
	<b>11 245</b>	<b>7 734</b>

## 22. Accruals

## Listed by economic classification

Goods and services  
Capital assets  
Other

## Total

	2012/13			2011/12
	30 days	30+ days	Total	Total
	R'000	R'000	R'000	R'000
Goods and services	2 885	4 597	7 482	3 148
Capital assets	73	-	73	13
Other	-	7 824	7 824	2 843
<b>Total</b>	<b>2 958</b>	<b>12 421</b>	<b>15 379</b>	<b>6 004</b>

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**Listed by programme level**

Programme 1: Administration

Programme 2: Human Resource Development, Planning and Monitoring Coordination

Programme 3: University Education

Programme 4: Vocational and Continuing Education and Training

Programme 5: Skills Development

**Total***Reasons for material accruals:**Claims in respect of examiners and moderators were not received before closure of financial year.*

2012/13	2011/12
R'000	R'000
951	1 803
233	130
317	399
13 494	3 345
384	327
<b>15 379</b>	<b>6 004</b>

**23. Employee benefits**

Leave entitlement

Service bonus (Thirteenth cheque)

Performance awards

Capped leave commitments

Other

**Total**

10 211	8 961
6 976	6 290
6 682	1 459
11 523	11 165
429	142
<b>35 821</b>	<b>28 017</b>

**23.1 Negative leave balances**

Differences in the reporting cycle for leave

105	326
<b>105</b>	<b>326</b>

**24. Lease commitments****24.1 Operating lease expenditure****2012/13**

Not later than 1 year

Later than 1 year and not later than 5 years

**Total lease commitments**

Buildings and other fixed structures	Machinery and equipment	Total
R'000	R'000	R'000
18 785	9 028	27 813
-	492	492
<b>18 785</b>	<b>9 520</b>	<b>28 305</b>



**2011/12**

Not later than 1 year

Later than 1 year and not later than 5 years

**Total lease commitments**

Buildings and other fixed structures	Machinery and equipment	Total
R'000	R'000	R'000
16 080	9 830	25 910
-	19 046	19 046
<b>16 080</b>	<b>28 876</b>	<b>44 956</b>

Total lease commitments for machinery and equipment: R28.876 million (was published as R55.985 million which resulted from a calculation error on the lead schedules).

**25. Irregular expenditure****25.1 Reconciliation of irregular expenditure**

Opening balance

Add: Irregular expenditure – relating to prior year

Add: Irregular expenditure – relating to current year

Less: Amounts condoned

Less: Amounts recoverable (not condoned)

Less: Amounts not recoverable (not condoned)

**Irregular expenditure awaiting condonation**

Note	2012/13 R'000	2011/12 R'000
	558	4 023
	(119)	-
	856	485
	-	(3 950)
	-	-
	-	-
	<b>1 295</b>	<b>558</b>

**Analysis of awaiting condonation per age classification**

Current year

Prior years

**Total**

856	485
439	73
<b>1 295</b>	<b>558</b>

**25.2 Details of irregular expenditure – current year****Incident**

Correct procurement procedures were not followed

**Disciplinary steps taken/criminal proceedings**

Under investigation

2012/13  
R'000

856
<b>856</b>

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2012/13

R'000

**25.3 Details of irregular expenditure under investigation****Incident**

A preliminary investigation was conducted by Internal Audit on the newly installed security system of the Department. This investigation leads to an approval by the Accounting Officer to perform a fully fledged Forensic Audit on the purchasing and installation of the system and to classify all expenditure to date as irregular.

856

**856****26. Related party transactions**

List related party relationships

**Ministerial Portfolio**

Higher Education and Training

**Departmental Schedule**3A  
3A  
3A  
3A  
3A  
3A**Public Entity**Council on Higher Education and Training  
National Student Financial Aid Scheme  
South African Qualifications Authority  
Quality Council for Trades and Occupations  
National Skills Fund**Sector Education and Training Authorities (SETAs):**Agriculture Sector Education and Training Authority  
Banking Sector Education and Training Authority  
Construction Sector Education and Training Authority  
Energy and Water Sector Education and Training Authority  
Education, Training and Development Practices SETA  
Financial and Accounting Services SETA  
Food and Beverages Manufacturing Industry  
Health and Welfare Sector Education and Training Authority  
Chemical Industries Education and Training Authority  
Transport Education and Training Authority  
Public Service Sector Education and Training Authority  
Insurance Sector Education and Training Authority  
Media, Advertising, Publishing, Printing and Packaging SETA  
Manufacturing, Engineering and Related Services SETA  
Mining Qualifications Authority  
Safety and Security Sector Education and Training Authority  
Services Sector Education and Training Authority  
Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority  
Wholesale and Retail Sector Education and Training Authority  
Local Government Sector Education and Training Authority  
Fibre Processing and Manufacturing SETA

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Political office bearers (provide detail below)

Officials:

Level 15 to 16

Level 14 (incl CFO if at a lower level)

**Total**

	<i>No. of Individuals</i>	2012/13	2011/12
		R'000	R'000
	3	3 690	3 550
	10	11 107	9 644
	22	19 977	18 474
<b>Total</b>		<b>34 774</b>	<b>31 668</b>

Minister: 2012/13: R1.953 million; 2011/12: R1.937 million.

Deputy Minister: 2012/13: R1.609 million; 2011/12: R1.612 million.

**28. Movable tangible capital assets****MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>29 615</b>	<b>(332)</b>	<b>5 349</b>	<b>1 189</b>	<b>33 443</b>
Transport assets	4 506	-	484	40	4 950
Computer equipment	15 566	7	3 440	1 083	17 930
Furniture and office equipment	8 481	(52)	914	43	9 300
Other machinery and equipment	1 062	(287)	511	23	1 263
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>29 615</b>	<b>(332)</b>	<b>5 349</b>	<b>1 189</b>	<b>33 443</b>

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**Additions****28.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	(Capital work-in-progress current costs and finance lease payments)			Received current, not paid (Paid current year, received prior year)	Total
	Cash	Non-cash	R'000	R'000	
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>5 455</b>	<b>-</b>	<b>-</b>	<b>(106)</b>	<b>5 349</b>
Transport assets	642	-	-	(158)	484
Computer equipment	3 388	-	-	52	3 440
Furniture and office equipment	914	-	-	-	914
Other machinery and equipment	511	-	-	-	511
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5 455</b>	<b>-</b>	<b>-</b>	<b>(106)</b>	<b>5 349</b>

**Disposals****28.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Sold for cash		Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000		
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>1 189</b>	<b>1 189</b>	<b>-</b>	<b>-</b>
Transport assets	-	40	40	-	-
Computer equipment	-	1 083	1 083	-	-
Furniture and office equipment	-	43	43	-	-
Other machinery and equipment	-	23	23	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>1 189</b>	<b>1 189</b>	<b>-</b>	<b>-</b>

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## 28.3 Movement for 2011/12

## MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>27 546</b>	<b>3 740</b>	<b>1 671</b>	<b>29 615</b>
Transport assets	3 705	801	-	4 506
Computer equipment	15 004	2 138	1 576	15 566
Furniture and office equipment	8 079	467	65	8 481
Other machinery and equipment	758	334	30	1 062
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>27 546</b>	<b>3 740</b>	<b>1 671</b>	<b>29 615</b>

## 28.4 Minor assets

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	65	5 108	5 173
Current year adjustments to prior year balances	-	55	55
Additions	-	992	992
Disposals	-	161	161
<b>TOTAL MINOR ASSETS</b>	<b>65</b>	<b>5 994</b>	<b>6 059</b>
Number of R1 minor assets	1	18 688	18 689
Number of minor assets at cost	25	3 029	3 054
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>26</b>	<b>21 717</b>	<b>21 743</b>

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**28.5 Minor assets****MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	52	4 640	4 692
Current year adjustments to prior year balances	-	-	-
Additions	13	564	577
Disposals	-	96	96
<b>TOTAL MINOR ASSETS</b>	<b>65</b>	<b>5 108</b>	<b>5 173</b>

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	-	20 355	20 355
Number of minor assets at cost	25	2 705	2 730
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>25</b>	<b>23 060</b>	<b>23 085</b>

**29. Intangible capital assets****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>COMPUTER SOFTWARE</b>	665	-	-	-	665
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>	255	(38)	-	-	217
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>920</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>882</b>

**29.1 Additions****ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Cash	Non-cash	(Development work-in- progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**29.2 Movement for 2011/12****MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	665	-	-	665
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	141	114	-	255
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>806</b>	<b>114</b>	<b>-</b>	<b>920</b>

**30. Transfer of functions****Outstanding balances of the Department of Education**

Since the Department of Education is still listed in Schedule 1 of the Public Service Act, it is not yet abolished. Funds are still paid into the account of the former Department of Education and ongoing clearing of accounts are done on this account. An amount of R5 081.35 was not cleared as at the end of March 2013. Separate financial statements have been prepared for the former Department of Education.

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**31. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES**

NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll-overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
<b>FET COLLEGES CONDITIONAL GRANT</b>											
Eastern Cape	688 593	-	11 330	699 923	699 923	-	-	699 923	687 164	98.2	634 009
Free State	317 955	-	5 849	323 804	323 804	-	-	323 804	308 282	95.2	295 075
Gauteng	1 113 533	-	19 712	1 133 245	1 133 245	-	-	1 133 245	1 133 245	100.0	1 023 222
KwaZulu-Natal	839 837	-	19 025	858 862	858 862	-	-	858 862	870 412	101.3	765 537
Limpopo	536 612	-	9 156	545 768	545 768	-	-	545 768	544 966	99.9	495 566
Mpumalanga	342 696	-	2 589	345 285	345 285	-	-	345 285	345 285	100.0	321 840
Northern Cape	76 599	-	1 743	78 342	78 342	-	-	78 342	78 364	100.0	66 640
North West	257 233	-	4 556	261 789	261 789	-	-	261 789	258 933	98.9	238 751
Western Cape	584 213	-	13 376	597 589	597 589	-	-	597 589	597 505	100.0	534 671
	<b>4 757 271</b>	<b>-</b>	<b>87 336</b>	<b>4 844 607</b>	<b>4 844 607</b>	<b>-</b>	<b>-</b>	<b>4 844 607</b>	<b>4 824 156</b>		<b>4 375 311</b>

The Department hereby certifies that all transfers were deposited into the primary bank account of the provinces for the 2012/13 financial year. No conditional grant funds were utilised for the administration of this grant by the Department of Higher Education and Training. The total amount surrendered by Provincial Education Departments to the Department amounts to R18,976 million.



## ANNEXURE 1A

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Education Training and Development Practices	175	-	-	175	175	100.0	157
Council on Higher Education	39 993	-	-	39 993	39 993	100.0	36 772
National Skills Fund	-	-	-	-	-	-	19 934
National Student Financial Aid Scheme	5 195 661	-	-	5 195 661	5 195 661	100.0	3 956 849
South African Qualifications Authority	45 723	-	-	45 723	45 723	100.0	41 435
Direct Charge: Sector Education and Training Authority	9 120 000	-	235 595	9 355 595	9 355 595	100.0	8 077 297
Direct Charge: National Skills Fund	2 280 000	-	58 898	2 338 898	2 338 898	100.0	2 017 816
Claims against the State	-	-	65	65	37	56.9	-
Quality Council for Trades and Occupations	20 352	-	-	20 352	20 352	100.0	26 889
Commercial Licenses (Radio and TV)	-	-	52	52	39	75.0	-
<b>Total</b>	<b>16 701 904</b>	<b>-</b>	<b>294 610</b>	<b>16 996 514</b>	<b>16 996 473</b>		<b>14 177 149</b>

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1B**

**STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	801 829	-	123 446	925 275	925 221	54	100.0	888 487
Central University of Technology, Free State	281 218	-	101 814	383 032	383 032	-	100.0	277 463
Durban Institute of Technology	591 665	-	128 434	720 099	720 097	2	100.0	626 465
Mangosuthu University of Technology	223 536	-	97 085	320 621	320 620	1	100.0	289 661
Nelson Mandela Metropolitan University	640 299	-	106 052	746 351	746 349	2	100.0	693 055
North West University	1 024 698	-	137 549	1 162 247	1 162 246	1	100.0	1 036 974
Rhodes University	267 931	-	60 014	327 945	327 945	-	100.0	286 905
Tshwane University of Technology	1 197 061	-	182 556	1 379 617	1 379 612	5	100.0	1 325 797
University of Cape Town	974 808	-	107 635	1 082 443	1 082 442	1	100.0	1 094 861
University of Fort Hare	269 498	-	126 809	396 307	396 306	1	100.0	282 505
University of Free State	775 250	-	133 607	908 857	908 856	1	100.0	842 468
University of Johannesburg	1 143 400	-	114 325	1 257 725	1 257 724	1	100.0	1 288 520
University of KwaZulu-Natal	1 290 835	-	188 301	1 479 136	1 479 135	1	100.0	1 486 684
University of Limpopo	606 841	-	206 639	813 480	813 479	1	100.0	713 730
University of Pretoria	1 521 080	-	218 324	1 739 404	1 739 404	-	100.0	1 708 323
University of South Africa	1 713 664	-	300 389	2 014 053	2 014 053	-	100.0	1 787 372
University of Stellenbosch	975 028	-	99 765	1 074 793	1 074 786	7	100.0	1 058 541
University of Venda	296 659	-	124 230	420 889	420 888	1	100.0	264 318
University of Western Cape	570 306	-	116 023	686 329	686 329	-	100.0	648 433
Witwatersrand University	1 018 729	-	210 444	1 229 173	1 229 172	1	100.0	1 257 280
University of Zululand	306 959	-	156 893	463 852	463 852	-	100.0	356 677
Vaal University of Technology	422 694	-	124 215	546 909	546 908	1	100.0	428 770
Walter Sisulu University of Science and Technology	519 874	-	249 467	769 341	769 341	-	100.0	710 870
Higher Education Institutions: Other Grants	3 451 998	-	(3 451 998)	-	-	-	-	-
Interest and redemption of private and government infrastructure	17 000	-	(17 000)	-	-	-	-	-
National Institute for Higher Education: MP	-	-	34 670	34 670	34 670	-	100.0	-
National Institute for Higher Education: NC	-	-	20 312	20 312	20 312	-	100.0	-
<b>Total</b>	<b>20 902 860</b>	<b>-</b>	<b>-</b>	<b>20 902 860</b>	<b>20 902 779</b>	<b>81</b>		<b>19 354 159</b>

## ANNEXURE 1C

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Commonwealth of Learning	2 116	-	81	2 197	2 197	100.0	2 015
India-Brazil-South Africa Trilateral Commission	428	-	15	443	442	99.8	428
<b>Total</b>	<b>2 544</b>	<b>-</b>	<b>96</b>	<b>2 640</b>	<b>2 639</b>		<b>2 443</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 17

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
*for the year ended 31 March 2013*

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Higher Education South Africa (HESA)	5 000	-	-	5 000	5 000	100.0	3 000
<b>Total</b>	<b>5 000</b>	<b>-</b>	<b>-</b>	<b>5 000</b>	<b>5 000</b>		<b>3 000</b>

## ANNEXURE 1E

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Employee Social Benefits	904	-	1 401	2 305	2 289	99,3	245
<b>Total</b>	<b>904</b>	<b>-</b>	<b>1 401</b>	<b>2 305</b>	<b>2 289</b>		<b>245</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 17

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
*for the year ended 31 March 2013*

**ANNEXURE 1F**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
<b>Received in kind</b>			
British Council	Attendance of Going Global Conference in the United Kingdom	-	50
Council on Higher Education and Training	Attendance of Differentiation Seminar in Cape Town	-	27
South Africa Netherlands Research Programme	Attendance of SANPAD conference in Durban	4	-
Nelson Mandela Metropolitan University	Attendance of Annual NMMU Research, Teaching and Engagement Awards in Port Elizabeth	6	-
Germany	Attendance of GIZ SAGEN study tour to visit wind energy training centres in Germany	68	-
<b>TOTAL</b>		<b>78</b>	<b>77</b>



**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
VOTE 17

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2013*

		2012/13	2011/12
		R'000	R'000
<b>Received in kind</b>			
Netherlands	Capacity building in Higher Education through Nuffic: Implementation of standardised Business Management System in 3 pilot FET Colleges	2 811	4 200
Netherlands	Strengthening the National Certificate (NC(V)) programmes in line with the labour market demands.	2 926	-
Belgian Development Agency	Identify key information gaps in FET College sub-systems	-	350
Chinese Government	Refurbishment of 4 FET Colleges	-	2 000
Danish Government	Support for Education and Skills Development III (SESDIII)	6 219	889
USAID	USAID Partnership for Skills Development Programme	-	4 741
Japanese Government	Employability Improvement Project	6 417	-
<b>Total</b>		<b>18 373</b>	<b>12 180</b>



## ANNEXURE 1H

### STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
	R'000	R'000
<b>Made in kind</b>		
Gifts to hosts in USA	-	1
Farewell Gifts to Students who went to Russia to attend a scholarship programme	1	-
Gifts for Minister's visit to Denmark	2	-
<b>Total</b>	<b>3</b>	<b>1</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 17

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

## ANNEXURE 2A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 – LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Motor vehicles</b>								
Employees	Motor Finance Scheme	-	122	-	122	-	-	-	-
	Subtotal	-	122	-	122	-	-	-	-
	<b>Housing</b>								
Employees	Housing	267	317	-	50	-	267	-	-
	Subtotal	267	317	-	50	-	267	-	-
	<b>Other</b>								
Nelson Mandela Metropolitan University	Tertiary Institutions	-	171	-	171	-	-	-	-
North West University	Tertiary Institutions	2 750	695	-	566	-	129	4	-
Rhodes University	Tertiary Institutions	7 000	74	-	74	-	-	-	-
Tshwane University of Technology	Tertiary Institutions	25 154	4 122	-	992	-	3 130	78	-
University of Cape Town	Tertiary Institutions	450	99	-	88	-	11	-	-
University of Free State	Tertiary Institutions	1 743	469	-	412	-	57	5	-
University of Johannesburg	Tertiary Institutions	32 144	7 236	-	3 420	-	3 816	199	-
University of KwaZulu-Natal	Tertiary Institutions	60 860	609	-	609	-	-	-	-
University of Pretoria	Tertiary Institutions	-	94	-	94	-	-	-	-
University of South Africa	Tertiary Institutions	-	317	-	317	-	-	-	-
University of Stellenbosch	Tertiary Institutions	-	294	-	294	-	-	-	-
University of Venda	Tertiary Institutions	54 752	613	-	236	-	377	9	-
Witwatersrand University	Tertiary Institutions	4 075	3 212	-	2 522	-	690	-	-
Walter Sisulu University of Science and Technology	Tertiary Institutions	29 726	1 470	-	630	-	840	17	-
	Subtotal	218 654	19 475	-	10 425	-	9 050	312	-
	<b>Total</b>	<b>218 921</b>	<b>19 914</b>	<b>-</b>	<b>10 597</b>	<b>-</b>	<b>9 317</b>	<b>312</b>	<b>-</b>

**ANNEXURE 2B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013**

Nature of Liability	Opening Balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2013
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Motaung vs Department of Higher Education and Training	40	6 000	40	-	6 000
Johann Raath vs Minister of Higher education and Training	1 800	-	-	-	1 800
Vital vs Vista University	4 000	-	-	-	4 000
Welile Ndunge vs Department of Higher Education and Training	50	-	50	-	-
Damaged cars	-	37	37	-	-
<b>TOTAL</b>	<b>5 890</b>	<b>6 037</b>	<b>127</b>	<b>-</b>	<b>11 800</b>

DEPARTMENT OF HIGHER EDUCATION AND TRAINING  
VOTE 17

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

### ANNEXURE 3

#### CLAIMS RECOVERABLE

GOVERNMENT ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Department of Basic Education	-	-	493	806	493	806
Department of Health	-	-	6	6	6	6
Department of Justice	-	-	8	8	8	8
Department of Labour	-	-	18	19	18	19
South African Revenue Service	-	-	102	102	102	102
Free State Public Works	-	-	-	3	-	3
Gauteng Department of Education	-	-	51 416	51 416	51 416	51 416
Gauteng Department of Finance	-	-	-	35	-	35
Gauteng Health and Social Development	-	-	-	12	-	12
Government Printers	-	-	2	2	2	2
Mpumalanga Provincial Government	-	-	13	13	13	13
Mpumalanga Social Development	-	-	-	9	-	9
National Treasury Pensions	-	-	145	145	145	145
North West Provincial Administration	-	-	22	22	22	22
Western Cape Provincial Administration	-	-	3	3	3	3
Department of Roads and Public Works	-	-	5	5	5	5
	-	-	52 233	52 606	52 233	52 606
<b>Other Government Entities</b>						
National Skills Fund	-	-	83 591	4 824	83 591	4 824
MERSETA	-	-	1	1	1	1
SERVICES SETA	-	-	1	6	1	6
Quality Council for Trades and Occupations	-	-	4 012	1 613	4 012	1 613
SITA	-	-	30	30	30	30
	-	-	87 635	6 474	87 635	6 474
<b>Total</b>	-	-	<b>139 868</b>	<b>59 080</b>	<b>139 868</b>	<b>59 080</b>

**ANNEXURE 4****INVENTORY****Inventory**

Opening balance
Add/(Less): Adjustments to prior year balances
Add: Additions/Purchases – Cash
Add: Additions – Non-cash
(Less): Disposals
(Less): Issues
Add/(Less): Adjustments
Closing balance

2012/13		2011/12	
Quantity	R'000	Quantity	R'000
8	223	8	276
7 152	-	-	-
332 409	11 426	197	7 945
-	-	-	-
-	-	(197)	(7 998)
(333 535)	(11 346)	-	-
-	(6)	-	-
<b>6 034</b>	<b>297</b>	<b>8</b>	<b>223</b>

# DEPARTMENT OF EDUCATION

## ANNUAL FINANCIAL STATEMENTS

### 2012/13 FINANCIAL YEAR

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**DEPARTMENT OF EDUCATION****REPORT OF THE ACCOUNTING OFFICER**  
*for the year ended 31 March 2013*

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

**1. General review of the state of financial affairs**

The Department of Education closed down on 31 March 2010 as part of the restructuring process. No funds were therefore allocated to the Department during the 2010/11, 2011/12 and 2012/13 financial years. The books of account of the Department remained open during the 2011/12 and 2012/13 financial years due to funds still been paid into the PMG account of this Department and these balances could not be cleared or transferred to the newly established Departments of Basic Education as well as Higher Education and Training as at the end of March 2013. This balance amounts to R5 081.35 as at the end of March 2013.

Since the Department of Education is still listed in Schedule 1 of the Public Service Act, it is not yet abolished.

**Important policy decisions and strategic issues**

None.

**Significant events that have taken place and major projects undertaken or completed during the year**

None.

**Spending trends**

None.

**Virement**

None.

**2. Services rendered by the Department****2.1 Services rendered**

None.

**2.2 Tariff policy**

None.



**DEPARTMENT OF EDUCATION**

**REPORT OF THE ACCOUNTING OFFICER**  
*for the year ended 31 March 2013*

**2.3 Free services**

None

**2.4 Inventories**

None.

**3. Capacity constraints**

None.

**4. Utilisation of donor funds**

None.

**5. Public entities**

None.

**6. Other organisations to whom transfer payments have been made**

**6.1 Higher education institutions (HEIs)**

None.

**6.2 Other transfers**

None.

**6.3 Conditional grants to provincial education departments**

None.

**7. Public private partnerships (PPP)**

None.

## DEPARTMENT OF EDUCATION

REPORT OF THE ACCOUNTING OFFICER  
*for the year ended 31 March 2013***8. Corporate governance arrangements****8.1 The risk assessment and fraud prevention plan of the Department**

None.

**8.2 Internal Audit Unit**

None.

**8.3 The Audit Committee**

The Audit Committee of the Department of Higher Education and Training is also responsible for the activities of the Department of Education.

**8.4 Management processes for minimising conflict of interest**

None.

**8.5 Implementation of a code of conduct**

None.

**8.6 Safety, health and environmental issues facing the Department**

None.

**8.7 Other governance structures**

None.

**9. Discontinued activities/activities to be discontinued**

None.

**10. New/proposed activities**

None. The Department closed on 31 March 2010 as part of the restructuring process of Government.

**DEPARTMENT OF EDUCATION**

**REPORT OF THE ACCOUNTING OFFICER**  
*for the year ended 31 March 2013*

**11. Asset management**

None.

**12. Events after the reporting date**

None.

**13. Performance information**

None.

**14. Standing Committee on Public Accounts (SCOPA) resolutions**

None.

**15. Prior modifications to audit reports**

None.

**16. Exemptions and deviations received from the National Treasury**

None.

**17. Other**

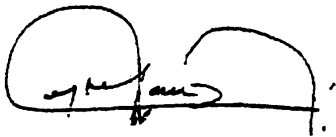
None.

DEPARTMENT OF EDUCATION

REPORT OF THE ACCOUNTING OFFICER  
*for the year ended 31 March 2013*

**18. Approval**

The Annual Financial Statements set out on pages 279 to 297 have been approved by the Accounting Officer.

A handwritten signature in black ink, appearing to read 'TW Tredoux', written over a horizontal line.

Mr TW Tredoux  
Accounting Officer  
31 May 2013

## DEPARTMENT OF EDUCATION

APPROPRIATION STATEMENT  
for the year ended 31 March 2013

	APPROPRIATION PER PROGRAMME								
	2012/13							2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>1. Administration</b>									
Current payments	-	-	-	-	-	-	-	-	-
<b>2. System Planning and Monitoring</b>									
Current payments	-	-	-	-	-	-	-	-	-
<b>3. General Education</b>									
Current payments	-	-	-	-	-	-	-	-	-
<b>4. Further Education and Training</b>									
Current payments	-	-	-	-	-	-	-	-	-
<b>5. Social and School Enrichment</b>									
Current payments	-	-	-	-	-	-	-	-	-
<b>6. Higher Education</b>									
Current payments	-	-	-	-	-	-	-	-	-
<b>7. Auxiliary and Associated Services</b>									
Current payments	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				-	-	-	-	-	-
Aid assistance				-	-	-	-	-	-
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				-	-	-	-	-	-
<b>Add:</b> Aid assistance					-				-
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>					-				-

## DEPARTMENT OF EDUCATION

APPROPRIATION STATEMENT  
for the year ended 31 March 2013

	APPROPRIATION PER ECONOMIC CLASSIFICATION								
	2012/13						2011/12		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-

**DEPARTMENT OF EDUCATION**

**NOTES TO THE APPROPRIATION STATEMENT**  
*for the year ended 31 March 2013*

None.

## DEPARTMENT OF EDUCATION

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2013

	2012/13	2011/12
<i>Note</i>	R'000	R'000
<b>REVENUE</b>		
Departmental revenue	-	-
Aid assistance	-	-
<b>TOTAL REVENUE</b>	-	-
<b>EXPENDITURE</b>		
<b>Current expenditure</b>		
Compensation of employees	-	-
Goods and services	-	-
Aid assistance	-	-
<b>Total current expenditure</b>	-	-
<b>Transfers and subsidies</b>		
Transfers and subsidies	-	-
Aid assistance	-	-
<b>Total transfers and subsidies</b>	-	-
<b>Expenditure for capital assets</b>		
Tangible capital assets	-	-
Software and other intangible assets	-	-
<b>Total expenditure for capital assets</b>	-	-
<b>Payments for financial assets</b>	-	-
<b>TOTAL EXPENDITURE</b>	-	-
<b>SURPLUS FOR THE YEAR</b>	-	-
<b>Reconciliation of Net Surplus for the year</b>		
Voted Funds	-	-
Departmental revenue and NRF Receipts	-	-
Aid assistance	-	-
<b>SURPLUS FOR THE YEAR</b>	-	-





## DEPARTMENT OF EDUCATION

STATEMENT OF CHANGES IN NET ASSETS  
*for the year ended 31 March 2013*

Note	2012/13 R'000	2011/12 R'000
<b>Capitalisation Reserves</b>		
Opening balance	-	-
Transfers:		
Movement in Operational Funds	-	-
Other movements	-	-
Closing balance	-	-
<b>Recoverable Revenue</b>		
Opening balance	-	14
Transfers:		
Debts recovered (included in departmental receipts)	-	(14)
Debts raised	-	-
Closing balance	-	-
<b>TOTAL</b>	-	-

## DEPARTMENT OF EDUCATION

CASH FLOW STATEMENT  
for the year ended 31 March 2013**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts

Departmental revenue received

Aid assistance received

Net (increase)/ decrease in working capital

Surrendered to Revenue Fund

Surrendered to RDP Fund/Donor

Current payments

Payments for financial assets

Transfers and subsidies paid

**Net cash flow available from operating activities****CASH FLOWS FROM INVESTING ACTIVITIES**

(Increase)/ decrease in loans

**Net cash flows from investing activities****CASH FLOWS FROM FINANCING ACTIVITIES**

Increase/ (decrease) in net assets

**Net cash flows from financing activities**

Net increase/ (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

**Cash and cash equivalents at end of period**

Note	2012/13	2011/12
	R'000	R'000
	-	-
	-	-
	-	-
	20	117 879
	-	(13)
	-	-
	-	-
	-	-
4	<b>20</b>	<b>117 866</b>
	-	-
	-	-
	-	(14)
	-	<b>(14)</b>
	20	117 852
	(22)	(117 874)
5	<b>(2)</b>	<b>(22)</b>

**DEPARTMENT OF EDUCATION****ACCOUNTING POLICIES**  
*for the year ended 31 March 2013*

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act.

**1. Presentation of the Financial Statements****1.1 Basis of preparation**

The Financial Statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the Financial Statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the Financial Statements where it is deemed to be useful to the users of the financial statements.

**1.2 Presentation currency**

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

**1.3 Rounding**

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

**1.4 Comparative figures**

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

**1.5 Comparative figures - Appropriation Statement**

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

## DEPARTMENT OF EDUCATION

ACCOUNTING POLICIES  
*for the year ended 31 March 2013***2. Revenue****2.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Any amounts owing to the National Revenue Fund at the end of the financial year are recognised as payable in the Statement of Financial Position.

Any amount due from the National Revenue Fund at the end of the financial year is recognised as a receivable in the Statement of Financial Position.

**2.2 Departmental revenue**

All departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Fund at the end of the financial year is recognised as a payable in the Statement of Financial Position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the Annual Financial Statements.

**2.3 Direct Exchequer receipts**

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Funds at the end of the financial year is recognised as a payable in the Statement of Financial Position.

**2.4 Direct Exchequer payments**

All direct exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system.

**DEPARTMENT OF EDUCATION****ACCOUNTING POLICIES**  
*for the year ended 31 March 2013***2.5 Aid assistance**

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the Statement of Financial Performance when final authorisation for payments is effected on the system.

The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

**3. Expenditure****3.1 Compensation of employees****3.1.1 Salaries and wages**

Salaries and wages are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the Financial Statements at its face value and are not recognised in the Statements of Financial Performance or Position.

**3.1.2 Social contributions**

Employer contributions to post employment benefit plans in respect of current employees are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

No provision is made for retirement benefits in the Financial Statements of the Department. Any potential liabilities are disclosed in the Financial Statements of the National Revenue Fund and not in the Financial Statements of the employer department.

Employer contributions made by the Department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the Statement of Financial Performance.

## DEPARTMENT OF EDUCATION

ACCOUNTING POLICIES  
*for the year ended 31 March 2013***3.2 Goods and services**

Payments made during the year for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

The expense is classified as capital if the goods and services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

**3.3 Payments for financial assets**

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the Financial Statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

**3.4 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

**3.5 Unauthorised expenditure**

When confirmed, unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written-off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is derecognised in the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date stipulated in the Act.

**3.6 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

## DEPARTMENT OF EDUCATION

ACCOUNTING POLICIES  
*for the year ended 31 March 2013***3.7 Irregular expenditure**

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

**4. Assets****4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

**4.2 Prepayments and advances**

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

**4.3 Receivables**

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.4 Loans**

Loans are recognised in the Statement of Financial Position when cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.



**ACCOUNTING POLICIES**  
*for the year ended 31 March 2013*

Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.5 Inventory**

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

**4.6 Capital assets****4.6.1 Movable assets****Initial recognition**

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

**Subsequent recognition**

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

**4.6.2 Immovable assets****Initial recognition**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

**DEPARTMENT OF EDUCATION****ACCOUNTING POLICIES**  
*for the year ended 31 March 2013***Subsequent recognition**

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the Department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

**4.6.3 Intangible assets****Initial recognition**

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

**Subsequent expenditure**

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

**5. Liabilities****5.1 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the Statement of Financial Position.

**5.2 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the Financial Statements when it is possible that economic benefits will flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

**5.3 Contingent assets**

Contingent assets are included in the disclosure notes to the Financial Statements when it is probable that an inflow of economic benefits will flow to the entity.

## DEPARTMENT OF EDUCATION

ACCOUNTING POLICIES  
*for the year ended 31 March 2013***5.4 Commitments**

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

**5.5 Accruals**

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

**5.6 Employee benefits**

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

**5.7 Lease commitments****Finance lease**

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as a capital expense in the Statement of Financial Performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the Financial Statements.

**Operating lease**

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the Financial Statements.

**5.8 Impairment**

The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

**5.9 Provisions**

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

**DEPARTMENT OF EDUCATION****ACCOUNTING POLICIES**  
*for the year ended 31 March 2013***6. Receivables for departmental revenue**

Receivables for departmental revenue are disclosed in the disclosure notes to the Annual Financial Statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

**7. Net Assets****7.1 Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

**7.2 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

**8. Related party transactions**

Specific information with regards to related party transactions is included in the disclosure notes.

**9. Key management personnel**

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.



## DEPARTMENT OF EDUCATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

	2012/13	2011/12
Note	R'000	R'000
<b>4. Payables - current</b>		
Clearing accounts	3	-
<b>Total</b>	<b>3</b>	<b>-</b>
<b>4.1 Clearing accounts</b>		
Other	3	-
<b>Total</b>	<b>3</b>	<b>-</b>
<b>5. Net Cash Flow Available From Operating Activities</b>		
Net surplus/(deficit) as per Statement of Financial Performance	-	-
Add back non cash/cash movements not deemed operating activities	20	117 866
(Increase)/decrease in receivables – current	17	118 951
(Increase)/decrease in prepayments and advances	-	275
Increase/(decrease) in payables – current	3	(1 347)
Surrenders to Revenue Fund	-	(13)
<b>Net cash flow generated by operating activities</b>	<b>20</b>	<b>117 866</b>
<b>6. Reconciliation of cash and cash equivalents for cash flow purposes</b>		
Consolidated Paymaster General account	(2)	(22)
<b>Total</b>	<b>(2)</b>	<b>(22)</b>

## DEPARTMENT OF EDUCATION

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
*for the year ended 31 March 2013*

## ANNEXURE 1

## CLAIMS RECOVERABLE

## Government Entity

## Department

Department of Justice

Department of Higher Education and Training

## Total

Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
R'000	R'000	R'000	R'000	R'000	R'000
-	-	-	-	-	-
-	-	-	22	-	22
-	-	-	22	-	22
-	-	-	22	-	22



## **ANNUAL REPORT : 2012/13**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**

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