



# COUNCIL ON HIGHER EDUCATION (CHE)

ANNUAL  
**REPORT**  
2019/2020 FINANCIAL YEAR

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**COUNCIL ON HIGHER  
EDUCATION (CHE)  
ANNUAL REPORT  
FOR THE  
2019/2020 FINANCIAL YEAR**



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## **PART A: GENERAL INFORMATION**

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**1. PUBLIC ENTITY'S GENERAL INFORMATION**

<b>REGISTERED NAME:</b>	Council on Higher Education
<b>REGISTRATION NUMBER (if applicable):</b>	None
<b>PHYSICAL ADDRESS:</b>	1 Quintin Brand Street Persequor Technopark Pretoria 0020
<b>POSTAL ADDRESS:</b>	PO Box 94 Persequor Park 0020 South Africa
<b>TELEPHONE NUMBER/S:</b>	027 012 349 3840
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<b>EMAIL ADDRESS:</b>	ceo@che.ac.za
<b>WEBSITE ADDRESS:</b>	www.che.ac.za
<b>EXTERNAL AUDITORS:</b>	Auditor-General South Africa
<b>BANKERS:</b>	Standard Bank, Brooklyn Branch, Fehrsen Street, Brooklyn, Tshwane
<b>COMPANY/ BOARD SECRETARY</b>	Mr Tshifhiwa Eric Netshidzati



## 2. LIST OF ABBREVIATIONS/ACRONYMS

BBBEE	Broad Based Black Economic Empowerment
BSW	Bachelor of Social Work
CAT	Credit Accumulation and Transfer
CEO	Chief Executive Officer
CESM	Classification of Educational Subject Matter
CFO	Chief Financial Officer
CHE	Council on Higher Education
DHET	Department of Higher Education and Training
Dip Eng	Diploma in Engineering
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
DVC	Deputy Vice-Chancellor
ENE	Estimates of National Expenditure
EU	European Union
EXCO	Executive Committee (of Council)
GAAP	Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
HEI	Higher Education Institution
HELTASA	Higher Education Learning and Teaching Association of South Africa
HEMIS	Higher Education Management Information System
HEQC	Higher Education Quality Committee
HEQCIS	Higher Education Quality Committee Information System
HEQSF	Higher Education Qualifications Sub-Framework
HR	Human Resources
HRRC	Human Resources and Remuneration Committee
IAC	Independent Actuaries and Consultants (in Financial Section)
IAC	Institutional Audits Committee
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and Communication Technology
ICTCoC	Information and Communication Technology Committee of Council
IFRS	International Financial Reporting Standards
INQAAHE	International Network of Quality Assurance Agencies in Higher Education
LLB	Bachelor of Laws
MANCO	Management Committee
MBA	Master of Business Administration
MRAC	Monitoring, Research and Advice Committee
MEXCO	Member of EXCO

MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCOP	National Council of Provinces
NEHAWU	National Education, Health and Allied Workers Union
NGC	Nominations and Governance Committee
NLRD	National Learners' Records Database
NQF	National Qualifications Framework
NRF	National Research Foundation
NSRC	National Standards and Reviews Committee
PAA	Public Audit Act of South Africa, Act 25 of 2004
PFMA	Public Finance Management Act 1 of South Africa, Act 1 of 1999
PPPFA	Preferential Procurement Policy Framework Act (Act 5 of 2000)
PSET	Post School Education and Training
QCTO	Quality Council for Trades and Occupations
QEP	Quality Enhancement Project
ROE	Returns on earnings
RPL	Recognition of Prior Learning
SALDA	South African Law Deans Association
SANS	South African National Standards
SAQA	South African Qualifications Authority
SAQAN	Southern African Quality Assurance Network
SCM	Supply Chain Management
SER	Self-Evaluation Report
SHEEC	Scottish Higher Education Enhancement Committee
SMME	Small, Medium and Micro Enterprises
SMU	Sefako Makgatho Health Sciences University
TAU	Teaching Advancement at University
QA	Quality Assurance
QAA	Quality Assurance Agency
UIF	Unemployment Insurance Fund
UMALUSI	Council for Quality Assurance in General and Further Education and Training
UNISA	University of South Africa
VAT	Value Added Tax





### **3. FOREWORD BY THE CHAIRPERSON**



The 2019/20 financial year will go into the annals of history as one whose final couple of weeks were disrupted by the global coronavirus pandemic. Fortunately for the Council on Higher Education (CHE) most of the activities planned for the year had already been completed by the time the nationwide lockdown was declared. Among those that were outstanding, some that could be executed remotely were completed during the nationwide lockdown period. True to the saying that even the darkest cloud has a silver lining, the dangers posed by the coronavirus pandemic and the concomitant restrictions implemented as part of the national disaster management strategy in response to the pandemic created an opportunity for the CHE and the broader higher education system to leverage hitherto underutilised capabilities of information communication technologies to keep most activities and educational programmes going. This thrust the notion of the Fourth Industrial Revolution as a living reality that all in the sector have to come to terms with and seek to advance, without relegating to the back burner the pursuit of national imperatives such as transformation.

The 2019/20 financial year was the last of the five years of implementing the Strategic Plan 2015 – 2020 of the CHE. It was, at the same time, the year during which a new Strategic Plan for the 2020 – 2025 period had to be crafted. It was therefore a year of looking backwards to bring the implementation of the Strategic Plan 2015 – 2020 to closure, while also looking ahead and projecting the organisation into the future, with the crafting of the Strategic Plan 2020 – 2025. Hindsight lessons learnt from the final phase of implementing the Strategic Plan 2015 – 2020 proved invaluable as they enriched the process of considering the optimal positioning of the organisation for the five years of the new Strategic Plan.

The resource situation in the organisation improved significantly during the 2019/20 financial year with the allocation of R20 million conditional grant from the National Skills Fund (NSF).



Although the funds were received halfway through the year, they spurred further improvement in the overall performance of the organisation during the year under review. The proportion of performance targets that were achieved rose from 80% in 2018/19 to 85.7% in 2019/20. In 2017/18 financial year, when the organisation experienced serious budget-related challenges, it achieved only 52% of its performance targets. The underlining message is that the organisation has potential to achieve more when adequately resourced in terms of finances and human resources.

The CHE was also allocated R5 million seed funding under the University Capacity Development Programme (UCDP) of the Department of Higher Education and Training (DHET) to conceptualise a new Quality Assurance Framework (QAF). The project of developing the QAF progressed to an advanced stage in the course of 2019/20 financial year. The QAF will be central to the process of revitalising how the CHE executes its quality assurance mandate and responds to the imperatives of integrating, streamlining, simplifying, and rendering the quality assurance system more cost-effective, efficient and impactful.

The higher education system has many role players whose interests and initiatives have bearing on the work of the CHE. The CHE continued to maintain good strategic relationships with other key role players in higher education including the DHET, the South African Qualifications Authority (SAQA), the other Quality Councils (QCs), Universities South Africa (USAf), National Research Foundation (NRF) and other science councils. These relationships included collaboration in a number of projects and joint participation in national forums of mutual interest. The research collaboration with the Human Science Research Council (HSRC), for instance, led to a joint book publication titled *Reflections of South African Student Leaders: 1994 - 2017* published in March 2020 by African Minds.

The CHE also continued to maintain special ties with public universities and private higher education institutions as the main direct beneficiaries of the services that the CHE provides to the higher education system. The external quality assurance mandate of the CHE is peer-based, and therefore depends on peers drawn from the institutions to play the roles of evaluators, reviewers and as members of the committees that advise the Higher Education Quality Committee (HEQC) of the CHE on accreditation, national standards and reviews, and institutional audits.

A key challenge faced during the 2019/20 financial year related to the disruptions caused by the coronavirus pandemic. Some planned site visits, meetings and workshops had to be either cancelled, or postponed to the next financial year. Significant amounts of funds had to be reallocated to procure personal protective equipment (PPEs) for staff and other workplace hygiene facilities as determined by the national disaster management regulations.



The organisation also experienced some challenges in the area of ICT. The CHE relies on external IT service providers because it does not have adequate internal capacity. During the 2019/20 financial year, some of the service providers let the organisation down and as a result, for example, the organisation did not have a functional website for several months. The security of the entire IT network was also threatened. A comprehensive IT plan for the organisation, which includes measures to address the challenges faced during the year under review, was developed. This plan is being implemented.

The effect of the inconsistencies between some of the provisions in the legislation that govern statutory professional councils, on the one hand, and the National Qualifications Framework Act and the Higher Education Act, on the other, continued to pose challenges of mandate and/or role conflicts between the CHE and statutory professional bodies. The CHE sought to mitigate these challenges by entering into cooperation and collaboration agreements with some of the statutory professional bodies. However, a lasting solution may lie on a comprehensive review of the laws that govern the statutory professional bodies in relation to the National Qualifications Framework Act and the Higher Education Act.

The attraction and retention of critical skills remained a critical challenge, particularly at senior management level. The main factor is that the organisation is relatively small and therefore does not offer opportunities for career development and vertical growth for employees.

As I present this Annual Report to the principals and stakeholders of the CHE, I take this opportunity to indicate that the Strategic Plan 2020 – 2025 repositions the CHE as an innovative organisation that will work tirelessly to foster quality higher education that is responsive to the needs of society. It will prioritise implementation of the new QAF; improved management of the Higher Education Qualifications Framework (HEQSF); revitalisation of the research, monitoring and advice function; maintenance of good governance and compliance with the relevant legislation and policies; and restructuring the organisation to ensure that it becomes more agile, responsive and dynamic.

In closing, I thank all my colleagues in Council for their tireless efforts in ensuring that the organisation continues to be well-governed, and that it is not in the public eye for the wrong reasons. I acknowledge the contribution of management towards improving the overall performance of the organisation for two consecutive years, as reflected in the high proportion of annual targets achieved. I also express my gratitude to staff in general for continuing to demonstrate unflinching commitment and dedication to the organisation, and for cooperating with management to place the organisation on a steady upward trajectory in relation to meeting its annual performance targets.



I sincerely appreciate the trust that local and international stakeholders continue to bestow on CHE as demonstrated by the diverse forms of support they carry on providing to the CHE. In particular, I would like to express my gratitude to the Minister and Deputy Minister of Higher Education, Science and Innovation; and to the Director-General of the Department of Higher Education, and his top management team for listening to the organisation's plea for additional financial resources, and for making the requested additional resources available for the last two years in a row. As already indicated, the amelioration in the resource situation within the organisation has catalysed improvements in the overall performance of the organisation and the fulfilment of its mandate.

It would be remiss of me if I did not acknowledge, with sincere gratitude, the important oversight roles played by the Chairperson and members of the Parliamentary Portfolio Committee on Higher Education, Science and Innovation, and to the broad membership of both Houses of Parliament. Their effective oversight and guidance to Council have contributed immensely to enabling the organisation to realise the many achievements documented in this Annual Report.



**Prof N. Themba Mosia**

**Chairperson**

**Date: 30 September 2020**



#### 4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



The contents of the 2019/20 Annual Report of the Council on Higher Education (CHE) paint an accurate picture of the year under review as both challenging as well as productive. It was a challenging year because the fourth quarter was nearly thrown into turmoil by the COVID-19 crisis. The management team made timely arrangements to allow staff to work remotely and this alleviated the impact of the crisis on the operations of the organisation, with most activities unaffected due to the pivot to remote working arrangements. Central to the effort was equipping all staff with devices and with data bundles.

It was a productive year because the organisation fully implemented its Annual Performance Plan (APP) and met the targets on the majority of performance indicators as set in the APP. Key achievements for the year included the finalisation of a new framework and manual for institutional audits. This paves the way for the next phase of institutional audits to commence during the 2020/21 financial year. The special audit of the University of Zululand was also concluded after the institution had demonstrated good progress in addressing the recommendations of the special audit.

An achievement that was welcomed by the broader higher education sector was the clearing of backlogs of applications for programme accreditation. The availability of additional financial resources allowed for the hiring of more programme evaluators, reviewers and recommendation writers. It also made it possible for the Accreditation Committee (AC) and the Higher Education Quality Committee (HEQC) to sit for more meetings than had initially been scheduled. All these efforts resulted in the clearing of the backlogs.

Following the completion of the national review of programmes leading to the Bachelor of Laws (LLB) qualification during the 2018/19 financial year, the *National Report on the National Review of the Bachelor of Laws Qualification* was published during the 2019/20 financial year.



This report provides an analysis of the outcomes of the LLB review and its recommendations, and further reflects on the proposals for the improvement and enhancement of university legal education in South Africa.

In the area of quality promotion, the *Norms of Certification in Higher Education within the Context of the Higher Education Qualifications Sub-Framework*, was published to provide guidance to higher education institutions on principles, rules and practices for fostering and enhancing the credibility, integrity, reliability and validity of systems and processes for conferring qualifications and issuing certificates to eligible candidates. Furthermore, the CHE organised a Quality Promotion Conference that took place from 26 to 28 February 2020 at the CSIR International Convention Centre in Pretoria. It was attended by one-hundred and ninety-nine (199) participants, some of whom were from Botswana, Cameroon, Ghana, Kenya, Senegal, Zambia and Zimbabwe.

The Research, Monitoring and Advice function similarly registered significant achievements. A research project undertaken in collaboration with the Human Sciences Research Council (HSRC) led to a book publication, *Reflections of South African Student Leaders: 1994 – 2017*. Similarly, a collaboration with the Academy of Science of South Africa (ASSAf) led to the publication of a themed issue of the *South African Journal of Science* containing papers that had been presented at a conference which was organised by the CHE in 2019. *VitalStats 2018*, the latest in the series of resource books on key statistics for public universities, was also published during the 2019/20 financial year. Five discussion papers, formally referred to as *Briefly Speaking*, were produced and disseminated through the CHE website. The themes discussed included the *International Programme and Provider Mobility (IPPM) Framework*, *Increasing Student Alienation in Higher Education Institutions*, *Community Engagement as a Core Function of Universities*, *Barriers to Articulation in the Higher Education Sector*, and *Gender-based Violence on Campuses of Higher Education Institutions*.

The CHE was also engaged in developing a new Quality Assurance Framework (QAF). An internal reflection on the mechanisms and tools of quality assurance that the CHE has employed in its work as an external quality assurance agency over the last sixteen (16) years led to a decision to develop a new QAF to streamline processes and improve effectiveness and impact of external quality assurance for higher education. By the end of the 2019/20 financial year a detailed QAF conceptualisation report had been developed. The QAF will be extracted from this report, and higher education institutions and other stakeholders will be given opportunity to comment on the draft QAF before being finalised for implementation.

One of the factors that contributed to making the organisation more productive during the year under review was the improvement in the financial situation. Total income to the organisation increased from R59 117 600 in 2018/19 to R74 194 672 in 2019/20 financial year. The proportion of baseline grant to total income declined from 75.9% in 2018/19 financial year to





67.6% in 2019/20 financial year, while the proportion of other income streams increased from 24.1% 2018/19 financial year to 32.4% in 2019/20 financial year. The main components of the other income streams were conditional grants, fees paid by private higher education institutions for processing their applications for programme accreditation, fees paid by delegates who registered to take part in the Quality Promotion Conference organised by the CHE, project funds received from the University of Pretoria for the teaching excellence awards project, and interest accrued on investment. The total income also included an amount of R4 505 922 surplus funds rolled over from the previous financial year.

The total expenditure for the year, excluding depreciation, amortisation and loss on disposal of assets, was to the value of R66 243 318. This amount represented an increase of 11.6% over the total expenditure amount of R58 500 240 incurred in 2018/19 financial year. The increase could be accounted for, in the main, by the implementation of the outcomes of a job evaluation exercise which recommended upward adjustments of the job levels and associated compensation packages for about a third of the employees, including all at the levels of senior manager and director. Furthermore, all employees received annual increases within their total cost of employment packages. For these reasons, the total employee costs for the organisation increased by 12.0% from R32 279 466 in 2018/19 to R36 135 763 in 2019/20 financial year.

General expenditure also increased by 13.4% from R25 615 185 in 2018/19 to R29 057 289 in 2019/20 financial year. At one level, this increase can be accounted for by the year-on-year movement in the consumer price index (CPI) which meant that the prices of goods and services were higher in 2019/20 relative to the prices in 2018/19 financial year. However, the organisation also spent significantly more on legal fees, travel and peer academics.

The total amount paid in legal fees escalated from R2 247 965 in 2018/19 to R3 975 662 in 2019/20 financial year, translating into a phenomenal 43.5% year-on-year increase. This escalation was caused by the CHE seeking the services of attorneys and advocates to represent it in a number of new legal cases initiated by several private higher education institutions. The CHE was cited as the main defendant in these cases.

The second highest year-on-year increase in the general expenditure category was on local travel. The total amount paid for local travel increased from to R3 128 850 in 2018/19 to R4 223 212 in 2019/20 financial year, translating into a 35% year-on-year increase. Two main factors accounted for this significant increase. Firstly, the CHE organised additional meetings of the AC and the HEQC to work on clearing backlogs in applications for programme accreditation. This meant paying for more flights and overnight accommodation for members of the AC and the HEQC, than had initially been planned. Another factor is that at a certain point, South African Airways (SAA) suspended flights on several routes around the country. This action resulted in the escalation of the fares of flights on other airlines as, on those routes, demand for



seats on flights outstripped supply. The CHE therefore had to pay significantly more for flights on the affected routes.

The third highest year-on-year increase in the general expenditure category was on payment to peer academics. The 20.1% increase in the total amount paid to peer academics, from R5 642 921 in 2018/19 to R6 809 741 in 2019/20 financial year, came about because the organisation hired more than the usual numbers of programme evaluators, reviewers and report writers to assist with clearing backlogs of applications for programme accreditation. Similarly, twenty-four (24) external researchers were appointed as peer academics to work on the review of the performance of the higher education system 25 years into democracy. There were also other external researchers who were engaged to work on some new research projects which were commissioned out.

The amounts paid for outsourced services increased by 16.9% from R1 655 250 in 2018/19 to R1 934 881 in 2019/20 financial year. Payments for a big research project which was outsourced to the Ali Mazrui Centre for Higher Education at the University of Johannesburg, and for services rendered by the Government Technical Advisory Centre (GTAC) to support the CHE in crafting the Strategic Plan 2020 – 2025, accounted for the increase.

There was also a 13.9% increase in the total amount paid to members of the subcommittees, from R1 282 570 in 2018/19 to R1 461 923 in 2019/20 financial year. This significant increase was as a result of payments made to members of the HEQC and the AC for attending additional meetings that were organised to clear backlogs of applications for programme accreditation.

Besides the year-to-year increases in amounts spent on some budget line items under the general expenditure category as highlighted above, there were also some substantial year-to-year reduction in amounts spent on the majority of the remaining budget line items in this category. These include bursaries, IT expenses, recruitment costs, printing and stationery, employee welfare, subscriptions and membership fees, electricity and honoraria. The implementation of cost containment measures and other measures adopted to promote operational efficiencies contributed to the reduction in the total amounts paid for these goods and services during the 2019/20 financial year.

The CHE continued to have functional structures and systems in place to ensure prudent management of finances; fair, efficient, cost-effective and transparent procurement of goods and services; responsible management of operational and strategic risks; and general compliance with the relevant prescripts. In 2018/19 financial year, the organisation achieved clean audit outcome, and this was for a second consecutive year. The auditors found all internal controls in place, and also that the controls were functional and effective. The intention is to achieve similar audit outcome for the 2019/20 financial year. As reflected in the financial statements in this Annual Report, there was no irregular expenditure incurred during 2019/20





financial year; and only R1 745 could be classified as fruitless and wasteful expenditure. This amount, in the main, comprised fees paid on cancellation of booked flights.

The organisational structure of the CHE has fifty-two (52) positions, and during the year under review forty-one (41) of these had incumbents. During the 2018/19 financial year there were forty-two (42) positions that had incumbents. The implementation of the outcomes of the job evaluation exercise, as alluded to earlier, contributed to making some hitherto unsettled employees more settled, resulting in a drop in staff turnover rate from 14.28% in 2018/19 to 7.3% in 2019/20 financial year. The latter staff turnover rate is even lower than the industry staff turnover rate benchmark of 8%. Furthermore, the position of Director: Institutional Audit, which had been vacant for more than two (2) years, was filled in February 2020. Similarly, the position of Director: Research, Monitoring and Advice, which was vacant for eighteen (18) months was filled in August 2020.

Despite improving the retention of staff as indicated above, the organisation still lacked the critical mass of personnel commensurate with the volume of work in the different functional areas. The organisation addressed this capacity constraint by employing staff on short-term contracts, and also by making use of peer academics. However, compliance with the relevant governance and management prescripts has created a challenge of a different nature. It has meant that half of the filled positions in the organisation are in support functions of finance, supply chain management, human resource management, facilities management and governance. Compliance with the relevant prescripts dictates that these positions are not only on the structure, but that they should not be allowed to be vacant for any significant lengths of time. The organisation may have vacancies in the core functions, but not in the functions whose main responsibility is to manage compliance. This represents the high cost of compliance and creates an element of a mission drift.

Besides challenges related to capacity, the organisation continued to grapple with the effects of the distribution of authority among the different bodies and/or structures that have regulatory roles and responsibilities within the higher education space. This distribution of authority constrains integration and effective coordination as, time and again, the regulatory bodies find themselves pulling in different directions, to the detriment of the higher education system. The ideal of a single, integrated and coordinated higher education system, which was mooted by the National Commission on Higher Education (NCHE) in 1996, if implemented, would provide a lasting solution to this challenge. Unfortunately, twenty-four (24) years from the time it was mooted, it remains an unrealised ideal.

Related to the challenge of distributed authority is the overlap and/or conflict between the mandate of the CHE and the mandates of statutory professional councils in the area of quality assurance of learning programmes that lead to qualifications in professional areas such as Engineering, Health, Veterinary, Pharmacy, Social Work and others. At the root of this




challenge is that some provisions in the Acts that govern the professional councils are in conflict with the provisions in the two Acts that govern the CHE – the Higher Education Act No 101 of 1997, as amended, and the National Qualifications Framework Act No. 67 of 2008, as amended. Therefore, a long-term solution to this challenge would be to relook all these Acts holistically and amend them to iron out the inconsistencies. The DHET would need to play a key role in ensuring that this becomes a priority for government.

The general volatility in the sector since the 2015/16 *#FeesMustFall* events is a challenge that continued to adversely affect the work of the CHE. When student protests erupt on campuses, the CHE cannot undertake planned site visits to those campuses. When the protests lead to closures of higher education institutions, the CHE is unable to engage the institutions on activities that require the inputs of those institutions. Therefore, volatility does not only paralyse higher education institutions, it also, to a certain extent, immobilises the CHE.

I would like to conclude my overview of the 2019/20 Annual Report of the CHE by expressing my sincere appreciation to Council for guidance, support and encouragement throughout my tenure as the Chief Executive Officer (CEO) of the CHE. I extend the same level of appreciation to the various committees of Council for providing advice on issues that fall under their purview, in a constructive and collegial manner. I thank members of the senior management team for their support and contribution to decisions and actions that continued to make the CHE a stable organisation which vigorously pursues the fulfilment of its mandate. In the same breath, I acknowledge with gratitude the commitment of staff who worked tirelessly to ensure that the CHE was able to produce the deliverables as planned in the APP. I extend my gratitude to the leadership, management and staff of the DHET for their support to the CHE which has seen, for example, the CHE improving its financial situation over the last two consecutive financial years.

All key stakeholders of the CHE are also acknowledged for their diverse forms of contribution that they make to ensure that the CHE carries on fulfilling its mandate effectively and efficiently. These include regional and international bodies as well as local organisations that work closely with the CHE on various projects and activities of common interest. These include ASSAf, the HSRC, NRF, QCTO, SAQA, Umalusi, USAf and professional councils. My wish is to see the close ties that exist between the CHE and these organisations strengthened further as the implementation of the Strategic Plan 2020 – 2025 begins in earnest.



**Prof Narend Baijnath**  
**Chief Executive Officer**  
**Date: 30 September 2020**



## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board applicable to the public entity.

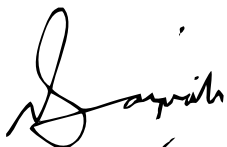
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully



**Prof Narend Baijnath**  
Chief Executive Officer  
Date: 30 September 2020



**Prof N. Themba Mosia**  
Chairperson  
Date: 30 September 2020

## **6. STRATEGIC OVERVIEW**

### **6.1. Vision**

To be a dynamic organisation contributing to a transformed, equitable, and quality higher education and training system in South Africa.

### **6.2. Mission**

As the independent statutory Quality Council for South African higher education, the CHE:

- Leads and manages quality assurance,
- Researches and monitors trends and developments,
- Initiates critical discourse on contemporary higher education issues
- Provides advice to the Minister on strategy and policy.

### **6.3. Values**

In pursuit of its vision and mission the CHE is committed to and guided by the following values:

- Social justice
- Quality
- Integrity
- Accountability

## **7. LEGISLATIVE AND OTHER MANDATES**

The CHE's vision and mission are derived from its legislative mandate as outlined in the Higher Education Act (Act No 101 of 1997 as amended) and the National Qualifications Framework Act (Act No 67 of 2008 as amended).

### **7.1 Higher Education Act**

In terms of the Higher Education Act, the mandate of the CHE includes the following:

- To provide advice to the Minister of Higher Education and Training on all higher education matters upon request and at its own initiative.



- To promote quality and quality assurance in higher education through its permanent sub-committee, the Higher Education Quality Committee (HEQC), including auditing the quality assurance mechanisms of, and accrediting programmes offered by higher education institutions.
- To monitor the state of higher education and publish information regarding developments in higher education on a regular basis, including arranging and co-ordinating conferences on higher education issues.

## **7.2 National Qualifications Framework Act**

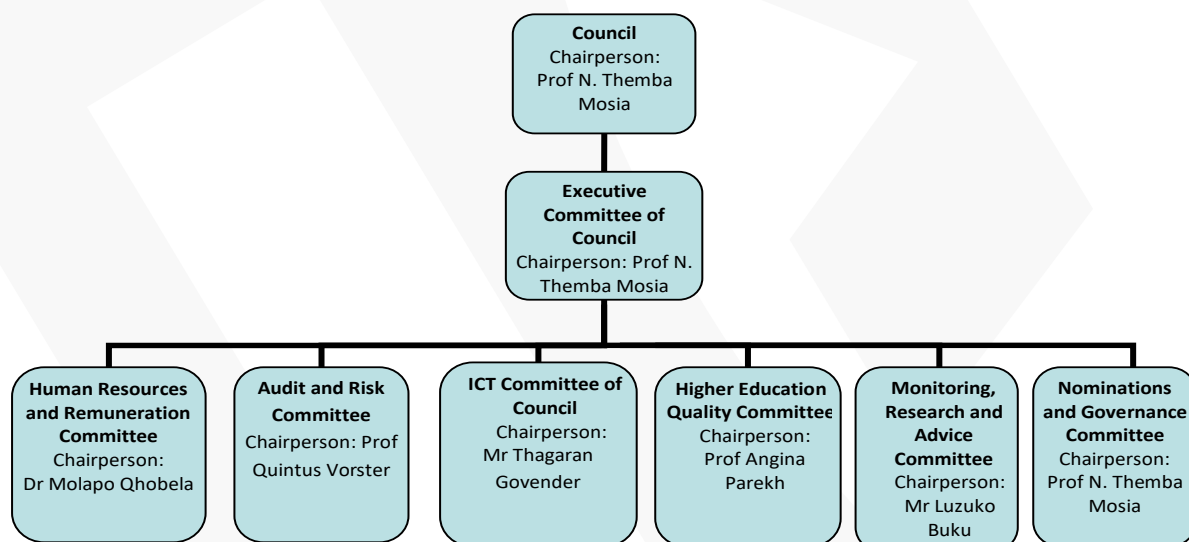
In terms of the National Qualifications Framework Act, the CHE has been established as the Quality Council (QC) for higher education with an expanded mandate, which, in addition to its quality assurance mandate, includes the following:

- To develop and manage the qualifications sub-framework for higher education, namely, the Higher Education Qualifications Sub-Framework (HEQSF), including the development of qualifications that are necessary for the higher education sector.
- To advise the Minister of Higher Education and Training on matters relating to the HEQSF.
- To conduct and publish research that facilitates the development and implementation of the HEQSF.
- To inform the public on matters pertaining to the HEQSF.
- To develop and implement policy and criteria for the development, registration and publication of qualifications, as well as for assessment, the recognition of prior learning (RPL) and credit accumulation and transfer (CAT) in the context of the policy and criteria developed by the South African Qualifications Authority (SAQA).
- To contribute to the development of level descriptors and to ensure their relevance.
- To maintain a database of learner achievements in higher education and to submit the data to the National Learners' Records Database, which is maintained by SAQA.

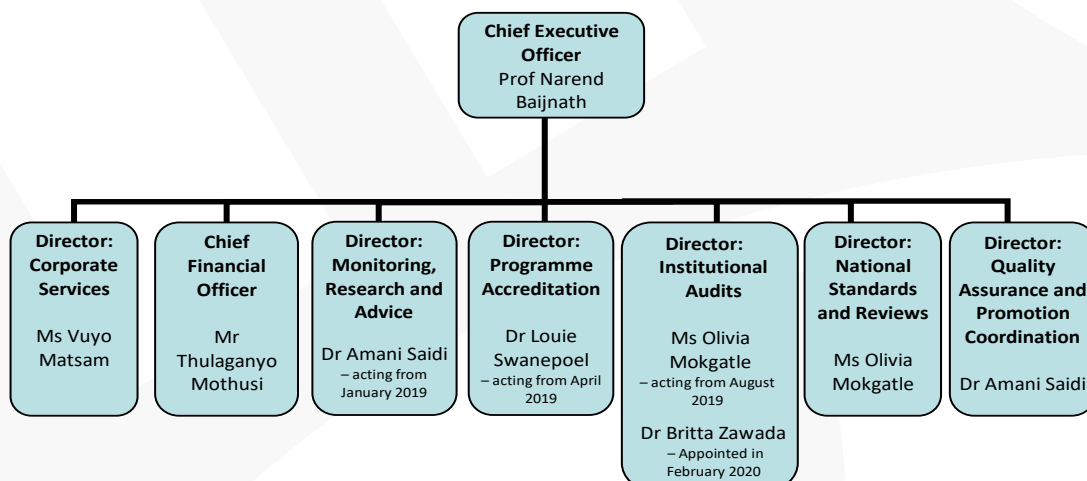


## 8. ORGANISATIONAL STRUCTURE

### Council Structure



### Management Structure



## PART B: PERFORMANCE INFORMATION



## **1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES**

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the Report of the Auditor-General.

Refer to pages 99 to 103 of the Report of the Auditor-General, published as Part E: Financial Information of the 2019/20 Annual Report.

## **2. SITUATIONAL ANALYSIS**

### **2.1. Service Delivery Environment**

The CHE is a public entity established by the Higher Education Act 101 of 1997 (as amended). It therefore functions as stipulated by this Act. Its quality assurance and promotion responsibilities are governed by both the Higher Education Act and the National Qualifications Framework Act 67 of 2008, which designates the CHE as the Quality Council for higher education. The two Acts, regulations that are based on these Acts (for example, regulations for the registration of private higher education institutions), higher education national policy frameworks such as the White Paper for Post-School Education and Training, together define and contextualise the performance environment of the CHE.

The CHE is a Schedule 3A public entity in terms of the Public Finance Management Act 1 of 1999 (as amended). This Act and its regulations (more commonly known as National Treasury regulations) together provide a framework that sets parameters for the governance of the organisation, and the management of its finances and other resources. The CHE strives to diligently comply with the Act and its regulations in all its activities.

The CHE also takes due cognisance of other national strategies, plans, protocols and frameworks in the performance of its legislated duties. Some of these include the National Development Plan 2030, the Human Resource Development Strategy for South Africa 2010 – 2030, the National Skills Development Strategy III, and the Presidential Outcomes 5.1 (Higher Education and Training), to mention a few. It similarly takes cognisance of the relevant regional, continental and international conventions pertinent to higher education.





The niche of the CHE is higher education. Other key role players in this space include universities, private higher education institutions, the government through mainly the Department of Higher Education and Training, the Sector Education and Training Authorities (SETAs), the South African Qualifications Authority (SAQA), the Quality Council for Trades and Occupations (QCTO), the National Student Financial Aid Scheme (NSFAS), organisations such as Universities South Africa (USAf) and Academy of Science of South Africa (ASSAf), professional councils, science councils, and other research institutions, which fall under the purview of the Minister of Higher Education, Science and Innovation. The CHE is mindful of the initiatives of these other role players, and the changes or developments they go through, because they have bearing on its work. The CHE therefore strives to be responsive to changes and/or developments in the sector.

The CHE is essentially a service organisation, and therefore its outputs are services include advisory, regulatory and policy decisions and/or documents, research and other publications, conferences and/or workshops, networks and other knowledge resources. The demand for the services of the CHE comes from the higher education system. This demand is ever-increasing as South Africa seeks to transform from a natural resource-based economy to a knowledge-based economy. Higher education is accepted as the engine of a knowledge-based economy because it generates the necessary capacity, research and innovation. The number of universities has increased, and so too the number of private higher education institutions. The CHE, as a small but only organisation of its type in the country, cannot meet the ever-increasing demand on it optimally without prioritising its focus areas.

Most indicators are outputs of the different processes that the CHE follows in discharging its responsibilities. They include the number of pieces of advice generated, the number of programmes accredited or reviewed, the number of publications produced, the number of workshops and conferences held, and the number of other outputs. It is contemplated that going forward, input, throughput and outcome indicators will also be developed. The latter are important because they will provide a measure of the degree to which stakeholders benefit from the work of the CHE.

## **2.2 Organisational Environment**

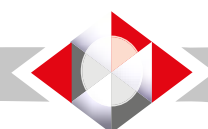
As a public entity the CHE reports to government through the Portfolio Committee on Higher Education, Science and Innovation. Its Executive Authority is the Minister of Higher Education, Science and Innovation. The Minister appoints the Council, which is the accounting authority of the CHE and operates as a 'Board' with governance, fiduciary, advisory and strategic oversight responsibilities. A senior management team, comprising of a Chief Executive Officer, Chief Financial Officer and six Directors, is responsible for the day-to-day management of the organisation, and executing its key mandated functions.



During the 2019/20 financial year, the organisation was structured into four programmes as follows:

- i. **Administration and Support** comprising of the following sub-programmes:
  - Information Communication and Technology;
  - Human Resources Management;
  - Finance and Supply Chain Management; and
  - Office of the Chief Executive Officer and its sub-programmes
- ii. **Research, Monitoring and Advice** comprising of the following sub-programmes:
  - Research;
  - Monitoring; and
  - Advice
- iii. **Institutional Quality Assurance** comprising of the following sub-programmes:
  - Assessment of HEIs' QA Systems;
  - Accreditation; and
  - Quality Enhancement
- iv. **Qualifications Management and Programme Reviews** comprising of the following sub-programmes:
  - Management of the HEQSF;
  - Development of Qualifications Standards; and
  - National Reviews

The programmes are essentially the operational or strategic business units in the organisation, and each is responsible for delivery on one or more strategic objectives. Thus, the actual plans are built around the programmes. Similarly, each programme serves as the unit for budgeting purposes. The programmes are therefore important components of the organisation and their performance in the implementation of the strategic and annual performance plans determine the overall performance of the organisation. Capacity is one critical factor that has influence on the level of performance of the programmes. Currently the organisation is small, and almost all programmes lack the necessary critical mass of personnel to operate with the necessary effectiveness, impact and efficiency.



The programmes are coordinated and led by the Chief Executive Officer to ensure that they all steer in the same direction as directed by the strategic and annual performance plans, and by Council.

The attraction and retention of appropriate skilled professionals in a very competitive market and resource constrained environment remains a key challenge for the CHE. The continued loss of critical skills and institutional memory has a major impact on the CHE's ability to discharge its mandate and plans. This is exacerbated by the size of the organisation which limits the opportunity for career progression, particularly for mid-level employees. Several interventions have been implemented in the past year to ensure that the CHE has the appropriate human capacity and capabilities and to mitigate the associated risks. These include but are not limited to the following:

- The development and implementation of the CHE's Competency Framework that has established a foundation for, and is a key driver of all Human Resources Management processes in the organisation;
- The introduction of a flexible remuneration framework (resources permitting) for levels 13 and higher to ensure the retention of critical skills for the CHE;
- Ongoing training and capacity building initiatives for employees and;
- Implementation of an employee wellness programme that promotes the physical, social, emotional, occupational, spiritual and intellectual wellness of employees.

These interventions continue to create a conducive organisational climate and culture that enhances employee productivity in general.

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

The DHET is in the process of finalising the plan on Post School Education and Training (PSET), which follows the publication of the PSET Policy in 2013. It is anticipated that once the plan is finalised and implemented, it will signify new priorities for research, monitoring, policy development and advice for the CHE.

## **2.4 Strategic Outcome Oriented Goals**

The CHE has adopted four strategic outcome-oriented goals to frame the development of the strategic goals and objectives. These are:

- CHE as quality assurer
- Quality Council
- Centre for information, policy analysis and advice



- Effective, sustainable and dynamic organization

The mandate of the CHE has been translated into four programmes and several linked strategic objectives.

The delivery of the strategic objectives is undertaken by programmes and sub-programmes, which constitute the core administrative units in the CHE's organisational structure. As a result, the resource requirements for the performance of the strategic objectives are reflected in the MTEF budget through the budgets of the different programmes and sub-programmes.

## **2.4.1 Strategic Goal One**

### **2.4.1.1 CHE as quality assurer**

**Goal Statement:** *The CHE is a credible, efficient quality assurer in higher education, with processes developed and implemented to inform, assure, enhance, and promote quality in HEIs.*

#### **Programme One: Institutional Quality Assurance**

##### **Strategic Objective 1.1**

*To develop a methodology to assess HEIs' QA systems.*

*Objective Statement: To have designed, piloted and implemented a methodology to assess HEIs' quality assurance systems by March 2019.*

##### **Strategic Objective 1.2**

*To assess higher education institutions' quality assurance systems each financial year.*

*Objective Statement: To hold eight institutional assessments by 2020.*

##### **Strategic Objective 1.3**

*To accredit new programmes submitted each financial year.*

*Objective Statement: Accreditation of HEIs' programmes using the current framework and criteria for programme accreditation until the new framework for accreditation is approved and implemented in 2020.*



**Strategic Objective 1.4**

*To re-accredit programmes submitted each financial year.*

*Objective Statement: Re-accreditation of programmes offered by HEIs as per notification from DHET.*

**Strategic Objective 1.5**

*Verification of institutional capacity to offer accredited programmes by means of site visits to institutions each financial year.*

*Objective Statement: Site visits conducted to verify the institutional capacity to offer accredited programmes as per recommendation of the HEQC and Accreditation Committee, or to investigate complaints.*

**Strategic Objective 1.6**

*To revise, pilot and publish a framework and process for programme accreditation by end of March 2020.*

*Objective Statement: Revise and pilot a framework and revised criteria and process for programme accreditation.*

**Strategic Objective 1.7**

*To complete Phase 1 of the QEP.*

*Objective Statement: To produce a document synthesising what was learnt during Phase 1 of the QEP by end of March 2018.*

**Strategic Objective 1.8**

*To implement Phase 2 of the QEP.*

*Objective Statement: To enhance key aspects of HEIs' educational provision across the HEI sector that has been identified through consultation with the sector as affecting student success by the end of March 2019.*



## **Strategic Goal Two**

### **2.4.2.1 Quality Council**

**Goal Statement:** *The CHE is a well-established Quality Council promoting the goals of the NQF in the context of the PSET sector.*

#### **Programme Two: Qualifications Management and Programme Review**

##### **Strategic Objective 2.1**

*HEQSF Policy Development, review and implementation each financial year.*

*Objective Statement: Develop, implement, and review relevant HEQSF policies and criteria within the context of the NQF.*

##### **Strategic Objective 2.2**

*HEQSF Information Management – collect data on HEQCIS to upload to NLRD each financial year.*

*Objective Statement: Maintain a database of relevant private higher education data, i.e., HEQCIS to feed into the National Learners' Records Database (NLRD).*

##### **Strategic Objective 2.3**

*Number of qualification standards developed by the end of each financial year.*

*Objective Statement: Develop and review qualifications standards to ensure the relevance, comparability, and currency of qualifications.*

##### **Strategic Objective 2.4**

*Management of the phases of National Reviews planned for each financial year.*

*Objective Statement: Undertake national reviews of existing programmes in selected subject fields and qualification levels offered by public and private higher education institutions.*



## **2.4.2 Strategic Goal Three**

### **2.4.3.1 Centre for information, policy analysis and advice**

**Goal Statement:** *The CHE is a recognised centre for information, policy analysis, and advice on higher education that informs and influences the public dialogue for the transformation of the higher education system.*

#### **Programme Three: Research, Monitoring and Advice**

##### **Strategic Objective 3.1**

###### *Research*

*Objective Statement: To produce and share reliable research on key issues per year to inform the development and transformation of the higher education system through one publication by the end of March each year.*

##### **Strategic Objective 3.2**

###### *Monitoring*

*Objective Statement: To collate and disseminate by the end of March each year monitoring information on key trends and developments in higher education.*

##### **Strategic Objective 3.3**

###### *Advice*

*Objective Statement: To provide by the end of each financial year research-based recommendations and advice on issues of national importance to the higher education sector, both proactively and in response to Ministerial requests.*

## **2.4.3 Strategic Goal Four**

### **2.4.4.1 Effective, sustainable and dynamic organization**

**Goal Statement:** *The CHE strives to be an effective, sustainable, and dynamic organisation, with systems, processes, and capacity/resources that enable it to discharge its mission and legal mandate optimally.*



## **Programme Four: Administration and Support**

### **Strategic Objective 4.1**

*Integrated, Online Information, Communication and Technology (ICT) System completed in the phases allocated for each year.*

*Objective Statement: Develop and maintain an effective, integrated online CHE ICT system.*

### **Strategic Objective 4.2**

*To ensure governance and compliance of ICT with statutory requirements each financial year.*

*Objective Statement: To ensure compliance with regulatory requirements.*

### **Strategic Objectives 4.3 and 4.4**

*Human Resources Management. Staff training in each financial year.*

*Objective Statement: Each year provide an enabling and nurturing human resources management environment that optimizes the skills and human capacity of the CHE.*

### **Strategic Objectives 4.5, 4.6, 4.7 and 4.8**

*Financial management and supply chain management. Targets given per financial year.*

*Objective Statement: Each year implement efficient and effective financial management and supply chain management processes.*

### **Strategic Objective 4.9**

*Number of Corporate Governance meetings each financial year. Targets are per financial year.*

*Objective Statement: Ensure on-going good corporate governance and adherence to the legislative and regulatory environment governing the CHE.*





**Strategic Objective 4.10**

*Number of international partnerships and cooperation at the end of each financial year.  
Targets given per financial year.*

*Objective Statement: Develop and maintain functional strategic partnerships with international quality assurance bodies and networks.*

**Strategic Objective 4.11**

*Number of media releases, communiqués, newsletters and other corporate information resources released by the end of each year.*

*Objective Statement: Develop and maintain good relations with stakeholders*

**Strategic Objectives 4.12**

*To keep abreast of QA trends – one international conference participated in by the end of March each year.*

*Objective Statement: Keep abreast of international trends in quality assurance in higher education.*

**Strategic Objectives 4.13**

*To conduct benchmarking exercises of key CHE processes.*

*Objective Statement: Benchmark the CHE quality assurance activities and processes against those of similar institutions or agencies elsewhere in the world.*

**3. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVE**

**3.1. Programme/activity/objective: 2018/19**

**3.1.1 Strategic Goal One**

**3.1.1.1 CHE as quality assurer**

The CHE is a credible, efficient quality assurer in higher education, with processes developed and implemented to inform, assure, enhance, and promote quality in HEIs.



### **Programme: Institutional Quality Assurance**

This programme is one of the ways in which the CHE fulfils its Strategic Goal 1 through developing and implementing processes to inform, assure, enhance, and promote quality in higher education institutions (HEIs). The three areas of work or sub-programmes are:

- Assessment of HEI's quality assurance systems;
- Accreditation; and
- Quality enhancement.

Since 2014, all public and most private institutions have been engaged in Phase 1 of the QEP, a national project designed to improve student success, which is defined in the framework as 'enhanced student learning with a view to increasing the number of graduates with attributes that are personally, professionally and socially valuable'. This is done through engagement with selected focus areas at both institutional and system levels in order to identify areas for development, share good practices, promote collaboration on solving shared problems, and ultimately improve quality across the system in specific aspects of higher educational provision.

A separate process is implemented in which all programmes of all institutions, public and private, must be accredited by the CHE before they are registered by the DHET and SAQA to be legally allowed to offer the programmes. The Framework for Programme Accreditation published in 2004 and Criteria for Programme Accreditation, published in 2004 and revised in 2012, has guided processes of programme accreditation for public and private HEIs, and re-accreditation of programmes for private higher education institutions in South Africa, as well as contributing to protecting students from poor quality educational provision on the part of higher education institutions.

#### **Strategic Objective 1.1**

*To develop methodology to assess HEIs' QA systems.*

*Objective Statement: To have designed, piloted and implemented a methodology to assess HEIs' quality assurance systems by March 2018.*

#### **a. Sub-Programme: Assessment of HEIs QA Systems**

##### **Develop methodology to assess HEIs' QA systems**

On 20 August 2019, the Institutional Audits Committee (IAC) approved the Pilot Audit



Report of the Vaal University of Technology for recommendation to the Higher Education Quality Committee, after considering the revisions of the audit panel. The IAC approved, in principle, the report of the Boston College and City Campus with the proviso that the Directorate ensures that the revisions to the report based on the comments from the institutions are acceptable. The two pilot audit reports were approved by the HEQC on the 11<sup>th</sup> of September 2019. In approving the reports, the HEQC directed that the Directorate must arrange for the feedback to the Institution to be delivered in person to the two institutions piloted.

The HEQC, at the recommendation of the IAC, also approved the report of the Pilot Audit Reference Group. The Report was a culmination of observations and comments from various structures such as the Reference Group itself, the HEQC, IAC and the pilot audit panels, who provided feedback on their experiences. The Report identified specific areas of improvement in terms of the audit framework and manual documents, which need to be attended to for the instruments to be of acceptable standard and quality for approval by March 2020.

On 18 October 2019, the CHE visited Boston City Campus and Business College to present the Pilot Audit Report, as directed by the HEQC. Similarly, the Vaal University of Technology Audit Report was presented at a meeting held on 14 November 2019. Both reports were positively received by the respective institutions. This marked the official conclusion of the pilot audit process.

The Reference Group for the Institutional Audits Framework that was appointed in December 2019, together with the newly appointed Director: Institutional Audits, started and completed its work in the fourth quarter. The revised *Draft Framework for Institutional Audits 2020* and *Draft Manual for Institutional Audits 2020*, produced by the Reference Group, were approved by the CHE Management Committee (MANCO) on 9 March 2020. They were also approved by the Institutional Audits Committee (IAC) on 13 March 2020, and the HEQC on the 7<sup>th</sup> of April for consultation with the higher education sector.

### **Strategic Objective 1.2**

*To assess higher education institutions' quality assurance systems each financial year.*

*Objective Statement: To hold eight institutional assessments by 2020.*



**b. Sub-Programme: Assessment of HEIs QA Systems**

Institutional support visit to the University of Zululand

On 2 August 2019, a delegation from the CHE, led by the Chief Executive Officer, conducted an institutional support visit to the University of Zululand. The purpose of the visit was to convey concerns raised by the IAC on the Special Audit progress reports that have been submitted by the University to the CHE. The support visit was received positively by the University as demonstrated by the third progress report, which addressed a number of concerns raised with the University leadership.

The Report of the Institutional Audits Committee of December 2019 on the Special Audit of the University of Zululand served at the HEQC meeting held in February 2020, as well as the Council meeting of March 2020. The recommendation that the Special Audits of the University of Zululand be concluded was approved with the recommendation to the DHET to track the long-term recommendations that were still in progress through the Annual Performance Plan of the institution.

The substantive assessment of HEI's quality assurance systems will be initiated in the second half of 2020 after the final HEQC approval of the *Framework for Institutional Audits 2020* and *Draft Manual for Institutional Audits 2020* after consultation with the sector, including public universities and private higher education institutions.

**c. Other activities under the sub-programme**

CHE-HELTASA National Excellence in Teaching and Learning Awards

The Institutional Audits Directorate has been coordinating the activities and processes of the CHE-HELTASA National Excellence in Teaching and Learning Awards. Two meetings of the Awards Committee were held between August and September 2019. The meetings were to shortlist and select award winners from the applicants. Four (4) award winners were chosen and 6 commendees were identified. The awards certificate (as well as R35 000 each) were given to the winners at the HELTASA Conference in November 2019.

**Strategic Objective 1.3**

*To accredit new programmes submitted each financial year.*



*Objective Statement: Accreditation of HEIs' programmes using current framework and criteria for programme accreditation until the new framework for accreditation is approved and implemented in 2020.*

**a. Sub-Programme: Accreditation**

The Programme Accreditation function is facilitated by the Accreditation Committee, which is a sub-committee of the HEQC and in 2019/2020 comprised of the following members:

**Table 1: Members of the Accreditation Committee**

Name	Designation	Institution
Ms Jean Skene	Director: HEMIS	Department of Higher Education and Training
Dr Shaheeda Essack	Deputy Director: Private Higher Education	Department of Higher Education and Training
Dr Wayne Dirk	Registrar: Private Higher Education	Department of Higher Education and Training
Mr Neil Makhaga	Director: Teaching Qualifications and Policy	Department of Higher Education and Training
Dr Caroline Selepe	Director: Directorate of Quality Promotion	Tshwane University of Technology
Professor Shajila A Singh	Associate Professor and Head: Department of Health and Rehabilitation Sciences	University of Cape Town
Ms Olga Evangelou	Director: Curriculum Development and Programme Accreditation Department	Vaal University of Technology
Professor Gawie du Toit	Acting Registrar (retired) Dean: Education (from January 2020)	Sol Plaatje's University and Akademia
Professor Judith Bruce	Assistant Dean: Teaching and Learning Faculty of Health Sciences	University of the Witwatersrand
Professor Mabokang Monnapula-Mapesela	Dean: Academic Development and Support and Deputy Vice-Chancellor: Academic and Student Affairs	Central University of Technology and Rhodes University
Ms Lindi Tlou	Head of Department: Planning & Quality Assurance	University of Pretoria Regenesys Business School
Mr Peter Ayuk	Head of Department: Undergraduate Studies	Milpark Business School
Mr Mike Thoms	Institutional Head (resigned December 2019)	Boston City Campus & Business College
Ms Susina Maria Jooste	Head of Institution	The Private Hotel School
Dr Engela Lacya van Staden	Deputy Vice Chancellor: Teaching, Learning and Community Engagement- Most recent Deputy Vice Chancellor: Academic	Sefako Makgatho Health Sciences University University of the Free State
Prof Divya Singh	Chief Academic Officer	Stadio Holdings
Prof Nicolaas (Niek) Johannes Grové	Former Registrar: University of Pretoria	University of Pretoria
Dr Daphne Gumbi Nee` Ngcikiza	Dean: Faculty of Education - Finance and Management	Walter Sisulu University
Dr Patrick Julius Masika	Principal	Fort Cox Agricultural College
Dr Nhlanhla Mpofu	Director: Teaching, Learning and Programme Development and Senior Lecturer: Faculty of Education	Sol Plaatje university and University of the Free State
Dr Catherine S. Namakula	Senior Lecturer in Law	University of Fort Hare
Prof Rachael Jesika Singh	Deputy Vice-Chancellor: Research, Innovation and Partnerships (resigned July 2019)	University of Limpopo
Prof Isabella Venter	Chairperson: Managing Committee of the OpenServe/Aria Technologies Africa Centre of Excellence	University of the Western Cape

<b>Dr Keith Jacobs</b>	Regional Director: Western Cape	University of South Africa
<b>Prof Maropeng Modiba</b>	Professor: Curriculum Studies	University of Johannesburg

### Accreditation of New Programmes

Submissions for the accreditation of programmes are received and evaluated on an ongoing basis throughout the year and therefore applications submitted in the one financial year may receive an HEQC outcome in the following financial year.

There were 397 new applications submitted for the accreditation of new programmes in the 2019/2020 financial year. 226 of these applications were from public universities and 171 from private higher education institutions. These applications are disaggregated per NQF level in Table 2 and per Classification of Educational Subject Matter (CSEM) category in Table 3 below. Noteworthy is that the number of submissions from public higher education institutions has a huge impact on the budget of the Directorate as public providers do not pay for their applications while private providers do.

**Table 2: New applications for programme accreditation per NQF level**

LEVELS	LEVEL 5	LEVEL 6	LEVEL 7	LEVEL 8	LEVEL 9	LEVEL 10	TOTAL
<b>Number of applications</b>	71	35	86	13450		21	<b>397</b>

**Table 3: New applications for programme accreditation per CSEM category**

CSEM Category	Number of applications
01 Agriculture, Agricultural Operations and Related Sciences	10
02 Architecture and the Built Environment	9
03 Visual and Performing Arts	19
04 Business, Economics and Management Studies	105
05 Communication, Journalism and Related Studies	6
06 Computer and Information Sciences	19
07 Education	91
08 Engineering	24
09 Health Professions and Related Clinical Sciences	57
10 Family Ecology and Consumer Sciences	3
11 Languages, Linguistics and Literature	4
12 Law	5
13 Life Sciences	8
14 Physical Sciences	6
15 Mathematics and Statistics	4
16 Military Sciences	1
17 Philosophy, Religion and Theology	5

18 Psychology	2
19 Public Management and Services	10
20 Social Sciences	9
<b>Grand Total</b>	<b>397</b>

In the same period 2019/20, the HEQC approved a variety of outcomes which included applications for the accreditation of new programmes, representations, and deferrals related to accreditation. It should be noted that this includes some programmes submitted in the previous financial year and processed in the current financial year. This is reflected in Table 4 below. Of the 1305 outcomes, 1102 programmes were accredited (with or without conditions or deferred and 203 programmes were not accredited. Poorly designed curricula and unsatisfactory teaching and learning approaches were among the most common reasons for programmes not being accredited.

**Table 4: HEQC Decisions and outcomes for accreditation**

Item	TOTAL
Total of programmes tabled	1305
Programmes accredited / accredited with conditions / deferred	1102
Programmes not accredited	203

#### **Strategic Objective 1.4**

*To re-accredit programmes submitted each financial year.*

*Objective Statement: Re-accreditation of programmes offered by HEIs as per notification from DHET.*

#### **b. Sub-Programme: Accreditation**

##### **Re-accreditation of Private Higher Education Institutions**

On an annual basis, the programmes of private higher education institutions, which are due for re-registration with the Department of Higher Education and Training, need to be re-accredited. In 2019/20, 54 programmes for re-accreditation were tabled at an HEQC meeting with various outcomes as indicated in the table below.

**Table 5: Programmes for re-accreditation**

Item	Total
Total number of programmes for re-accreditation	54
Programmes re-accredited	13
Re-accredited with conditions	12



Not re-accredited (Accreditation withdrawn)	09
Deferred	20

### **Strategic Objective 1.5**

*Verification of institutional capacity to offer accredited programmes by means of site visits to institutions each financial year.*

*Objective Statement: Site visits conducted to verify the institutional capacity to offer accredited programmes as per recommendation of the HEQC, Accreditation Committee or to investigate complaints.*

#### **c. Sub-Programme: Accreditation**

During the 2019/2020 reporting period, the Directorate: Programme Accreditation tabled a total of 27 site visit reports at an HEQC meeting. These reports were linked to various accreditation and re-accreditation processes including conditions, deferrals, relocation of sites and extension of programmes to existing sites.

### **Strategic Objective 1.6**

*To revise, pilot and publish a framework and process for programme accreditation by end of March 2020.*

*Objective Statement: Revise and pilot a framework and revised criteria and process for programme accreditation.*

#### **d. Sub-Programme: Accreditation**

Some aspects of the revised workflows were piloted during this timeframe such as cluster evaluations and new, more streamlined evaluation forms completed. However, the complete piloting of the revised workflows will take place after the Integrated QA Framework has been introduced and the inter-relationship between audits and accreditation finalised.

#### **Data Validation Project**

The Accreditation Directorate embarked on a project to examine the consistency of the programme data on the HEQSF, SAQA and the DHET databases. As the Quality Council for higher education, the CHE is leading the project in collaboration with





members of the DHET and SAQA. This is an enormous undertaking but a necessary one that will ensure that the HEQSF has a complete, valid and reliable set of data for the programmes offered by public and private HEIs.

The non HEQSF-aligned qualifications (Category C) for all public and private institutions on the HEQSF-online were matched to SAQA qualifications. The de-registration lists of non-aligned programmes were then compiled and SAQA was requested to de-register the qualifications according to these lists. This process will continue in 2020/2021 financial year.

### **Quality Assurance Framework (QAF) Project**

The project to conceptualise a new quality assurance framework (QAF) for the CHE commenced on 1 April 2019. Seed funding of R5 million was received from the University Capacity Development Programme (UCDP) of the DHET in response to a proposal for funding of the QAF project submitted by the CHE. A project manager, a project administrator and a senior researcher were appointed to manage the project.

A project management plan was drawn up which consisted of four phases, viz., stakeholder engagement, research, conceptualisation and consultation. The first two phases of the project have been completed and the third phase is underway. During the first phase of stakeholder engagement, meetings were held with the key stakeholder groups to create awareness about the project and to receive input on needs and priorities of the higher education sector. Meetings were held with the DHET, SAQA, USAf, HELTASA, SAPHE, SAIDE and APPEDT. During the second phase of the project, two research studies were undertaken, the first was a historical analysis of the quality assurance (QA) function of the CHE since its inception and the second was an international benchmarking survey of external quality assurance (EQA). Both studies included desktop research and interviews. The third phase of the project focuses on the conceptualisation of the framework.

The conceptualisation process was structured to have a number of working groups focusing on different aspects related to the QAF. Each working group consisted of senior peers with expertise in higher education and /or quality assurance management and members of the senior management of the CHE. Among the areas of focus were the HEQSF and higher education qualifications; collaboration with the DHET, SAQA and professional bodies; and the external quality assurance functions of the CHE. The groups produced a number of concept notes that served as the basis for deep critical discussions around the purposes of external quality assurance, the principles that



should underpin the QAF, the philosophy and approach for the new framework and EQA functions, and the priorities for the QAF that would result in the CHE having a significant positive impact on the quality of higher education provisioning in South Africa.

Throughout the project, the governance structures of MANCO, the HEQC and the Council were updated on the progress of the project through regular reports. An important key outcome of the project is a comprehensive report on the conceptualisation of the framework which will be used as the basis for drawing up the QAF, the EQA functions of reviews, accreditation, standards development, and quality promotion and capacity building, discussion papers and research reports. This report on the conceptualisation of the QAF is currently in development.

### **3.1.2 Strategic Goal Two**

#### **3.1.2.1 Quality Council**

The CHE is a well-established Quality Council promoting the goals of the NQF in the context of the PSET sector.

##### **Programme: Qualifications Management and Programme Review**

This programme seeks to advance the realisation of strategic goal 2 of the CHE by managing a single integrated national framework of higher education qualifications as a subset of the National Qualification Framework (NQF); developing qualification standards; and undertaking national reviews in selected programmes and qualification levels. The common denominator among these programme functions is that they all contribute towards ensuring that South African higher education qualifications meet appropriate criteria as determined by the Minister of Higher Education and Training; and that they are of acceptable quality and internationally comparable. Such qualifications and the study programmes that lead to them are intended to contribute to the full personal development of students, and to the social and economic development of the country.

The programme is structured into three key related focus areas or sub-programmes. These are the management of the HEQSF (including managing the HEQCIS database), standards development, and national reviews.

##### **Strategic Objective 2.1**

*HEQSF Policy Development, review and implementation each financial year.*



*Objective Statement: Develop, implement, and review relevant HEQSF policies and criteria within the context of the NQF.*

**a. Sub-Programme: Management of the HEQSF**

The draft *Norms of Certification in Higher Education* document was revised to incorporate comments received from higher education institutions. A meeting of the Policy Reference Group was held on 22 January 2020 to consider the latest revisions and advise on any possible further revisions. The revised draft served at the meeting of the Management Committee (MANCO) of the CHE on 3 February 2020, and MANCO endorsed it to be tabled at the next meeting of the HEQC for approval. At its meeting on 13 February 2020, the HEQC approved it for publication.

**Strategic Objective 2.2**

*HEQSF Information Management – collect data on HEQCIS to upload to NLRD each financial year.*

*Objective Statement: Maintain a database of relevant private higher education data, i.e., HEQCIS, to feed into the National Learners' Records Database (NLRD).*

**b. Sub-Programme: Management of the HEQSF**

A total of 147 registered private higher education institutions were expected to upload at least one data set onto the HEQCIS database; and of them 146 (99.3%) did so. The total numbers loaded onto the HEQCIS, thus far, were 644 652 learners with 728 411 qualification uptake results (193 462 achievements and 491 033 enrolments) between them (a further 43 916 were shown as de-enrolled).

The HEQCIS dataset for the cycle that ended on 15 December 2019 was loaded onto the NLRD during the NLRD's January/February 2020 data load cycle.

**Other activities under the sub-programme**

The CHE received a query from SAQA regarding student achievement records from several universities that were missing from the NLRD. The assumption was that these were not submitted from HEMIS. Upon investigation, it was discovered that there were discrepancies in the information held in HEMIS, NLRD and SAQA's Verification database regarding the qualifications the individual students whose records were



missing in the NLRD, were registered for. A Task Team comprising of representatives from the CHE, the DHET, SAQA NLRD and SAQA Verification has been formed to investigate this matter and come up with a way to rectify the data discrepancies.

An extension contract for SAQA to continue hosting the HEQCIS database for another twelve months from 1 April 2020 to 31 March 2021 was signed. The plan for the handover of the HEQCIS database to the CHE was developed and it would be implemented as from 1 April 2020.

### **Strategic Objective 2.3**

*Number of qualification standards developed by the end of each financial year.*

*Objective Statement: Develop and review qualification standards to ensure the relevance, comparability, and currency of qualifications.*

#### **c. Sub-Programme: Development of Qualifications Standards**

The National Standards and Reviews Directorate engages regularly with academic communities and other stakeholders to identify qualification types, fields of study and disciplines that would benefit from the development of a national benchmark qualification standard. However, financial constraints at the CHE meant that some planned activities related to standards development had to be cancelled and that led to delays in finalising some standards. There are qualification standards that are at various stages of development and some will be completed during the 2020/21 financial year.

##### **i. Bachelor of Pharmacy Qualification Standard**

At its meeting of 26 November 2019, the Working Group (WG) reached consensus that the draft standard was ready for narrow consultation with the sector. It was immediately sent to the SAPC for feedback, prior to being sent to institutions.

The Directorate met with the South African Pharmacy Council (SAPC) on 24 January to clarify the process to be followed during narrow consultation, in order to ensure that this stakeholder consultation stage adheres to both the CHE and SAPC requirements. The outcome of this meeting was a mutual agreement on how to collaborate more efficiently and effectively during this phase of the process.



A Schematic Process Flow for narrow consultation was developed and approved by both the CHE and SAPC. The main objective of the Schematic Process Flow is to facilitate a seamless flow of information between these two key stakeholders, more especially the relevant governance structures for approval purposes.

The original project plan had envisaged that the BPharm standard will be completed by mid-October 2020. However, given the COVID-19 lockdown, the Directorate has already experienced delays regarding this process. The NSRC meeting that was scheduled for 31 March 2020 to discuss and approve the draft standard for narrow consultation was cancelled as the Committee was not quorate. The NSRC meeting is being planned to take place later in April 2020 by electronic means.

**ii. Bachelor of Information and Library Studies (BILS), Bachelor of Sports Coaching and Bachelor of Commerce Qualification Standards**

The Working Groups reached consensus that these draft standards were ready for public consultation in November 2019. A call for public comment was sent out in November 2019 on the CHE website with a closing date of 24 January 2020. Substantive comments were received from the BILS and Sports Coaching draft standards from the sector, which necessitated the need for another Working Group meeting to consider the comments received. Further redrafting was undertaken at the Working Group meetings held on 20<sup>th</sup> and 26<sup>th</sup> of February 2020 for the BILS and Bachelor of Sports Coaching respectively. Both Working Groups reached consensus that the draft standards were ready for HEQC approval.

The NSRC meeting that was scheduled for 31 March 2020 to discuss and recommend the draft standards for HEQC approval was cancelled. Another NSRC meeting is being planned to take place later in April by electronic means to prepare the draft standards for consideration by the HEQC at its 7 May meeting. It is evident that the COVID-19 lockdown will affect the activities of the CHE adversely.

With regards to the Bachelor of Commerce draft standard, very minor comments were received from the sector, so there was no need for another WG meeting. The Directorate attended to the issues raised and circulated the revised version for the endorsement of the Working Group by round robin. This draft, like the other 2 draft standards, would have been tabled at the NSRC meeting of March 2020 in preparation for HEQC approval.



### **iii. Diploma and Higher Certificate in Emergency Care Qualification Standard**

Following the NSRC meeting of 19 and 20 November, the draft standard was sent to the higher education institutions and Health Professions Council of South Africa (HPCSA) and the EMC Board Education Committee for narrow consultation. The closing date for comments was 24 January 2020. The Working Group met on the 4<sup>th</sup> of March 2020 to consider the comments received from the higher education institutions. Substantial progress was made at this meeting as a revised draft standard was produced.

The CHE still awaits feedback from the EMC Board Education Committee, scheduled to meet in May 2020. Another WG meeting will then be arranged to review and rework the draft standard based on the comments received for the EMC Board. This too would have been tabled at the NSRC meeting of 31 March 2020 for discussion.

### **Strategic Objective 2.4**

*Management of the phases of National Reviews planned for each financial year.*

*Objective Statement: Undertake national reviews of existing programmes in selected subject fields and qualification levels offered by public and private higher education institutions.*

#### **d. Sub-Programme: National Reviews**

- **Doctoral Degrees National Review**

Following approval of the necessary review instruments by the HEQC at its meeting of 11 April, the national review of Doctoral Degrees officially commenced.

#### **i. Nomination of Panel Reviewers**

In November 2019, a letter was sent to the DVCs Research/Academic of public higher education institutions and CEOs of private higher education institutions, requesting them to nominate individuals to serve as review panel members. A total of over 112 nominations were received from the public and private higher education institutions. All the nominees were requested to submit abridged Curriculum Vitae to the CHE in order to facilitate the selection, appointment and allocation process. This is to ensure that the most qualified and appropriate individuals with the requisite skills and experience relevant to the national review of



doctoral degrees are appointed. The selection, appointment, and allocation of the 112 review panel members was completed between January and the end of February. The names of the review panel members will be sent to the relevant DVCs-Research/Academic and CEOs of the participating HEIs for endorsement.

## **ii. Nomination of Chairpersons of Review Panels**

In January 2020, the NSRD initiated a process of recruiting the most suitable individuals in the higher education sector to fulfil the roles of Chairpersons of Panel Review teams. By mid-February, names of nominated individuals were received from the relevant stakeholders in the higher education sector. The NSRD has since completed the appointment of individuals to serve as Chairpersons of review panels. A total of 20 Chairpersons have been appointed. The names of Chairpersons will be sent to the respective DVCs- Research / CEOs of the HEIs for endorsement. The Chairpersons training workshops initially scheduled for the 21 and 22 of April 2020 will be rescheduled, plans are also underway to explore the possibilities of conducting them electronically.

## **iii. Appointment of Institutional Coordinators and NR Online**

In total, there are 28 Institutional Coordinators that have been appointed by higher education institutions to coordinate the submission of the Self-Evaluation Reports and site-visits activities. On the 22<sup>nd</sup> of February 2020, the NSRD sent a communique providing the necessary details to the Institutional Coordinators regarding the submission of Self-Evaluation Reports on the NR-Online system. The NR-Online has been reconfigured to fit the requirements of the national review of doctoral degrees.

## **iv. Submission of the Self-Evaluation Reports (SERs)**

The deadline for submission of the Self-Evaluation Reports (SERs) was 31 March 2020. The CHE received several requests for extension of the submission deadline. Given the COVID-19 pandemic and the lockdown, such requests have been granted. It is worth noting however, that delays in the submission of the SERs will have adverse effects on subsequent project milestones.

The Directorate had initially planned to immediately proceed with review panel training workshops and SERs desktop evaluations from mid-April to end of May. As this will no longer be possible, these activities have now been rescheduled. No indication of new dates for these activities have been given, as these activities are





fundamentally dependent on the submission of the SERs and the termination of the lockdown. The CHE is currently exploring possibilities of optimising the use of technology to be able to get back on track and complete the project on time. The project plan will be reviewed and communicated to the institutions when the situation normalises.

A total of 15 institutions have already submitted their SERs on the NR-Online system. The overall rate of submission is satisfactory given the circumstances resulting from the lockdown from the COVID-19 pandemic.

The NSRD has begun the internal screening process of the SERs that have been submitted.

- **Third phase of the LLB review – National Report**

The LLB national report, which is an important aspect of the review process, was released to the public on the 10<sup>th</sup> of May 2019. The report provides a composite national picture in respect of the qualification and Law education. The report aims to identify and discuss the main findings emerging from the national review, significant strengths, shortcomings and concerns, and to recommend, where appropriate, ways of addressing those have been highlighted.

An analysis of the outcomes of the LLB review and recommendations are contained in the 'National Report on the National Review of the Bachelor of Laws Qualification'. The Report also reflects informed and carefully considered proposals for the improvement and enhancement of university legal education in South Africa.

It was disseminated widely to the key stakeholders in hardcopy, and the electronic version has been made available on the CHE website for unrestricted download and sharing.

- **LLB Progress Reports**

Even though the LLB review was concluded in 2017, HEQC continued to monitor implementation of improvement plans for the institutions with conditional accreditation. These universities' LLB programmes were required to implement their improvement plans, and report progress with respect to the achievement of the outstanding accreditation conditions. The National Standards and Reviews Committee (NSRC) evaluated the LLB progress reports for the following institutions, (Universities of Venda, NWU, UFH and UL). The NSRC was satisfied that all the conditions across all the 4 institutions had been adequately addressed





and recommended full accreditation. At its meeting of 11 April 2019, the HEQC approved all the NSRC recommendations. These outcomes concluded the national review of LLB.

- **Special Review Bachelor of Laws (LLB) review of private higher education institutions**

At the HEQC meeting of 13 February 2020, HEQC approved the NSRC recommendation to conduct the review of the Bachelor of Laws (LLB) programme offered at private higher education institutions. At this meeting, the NSRD presented the recommendation and Project Plan of the NSRC regarding the review of the Independent Institute of Education (IIE)/ Monash South Africa as the first private provider for this special review. The CHE has since notified the IIE of the commencement of LLB review during the 2020/21 plan period.

### **3.1.3 Strategic Goal Three**

#### **3.1.3.1 Centre for information, policy analysis and advice**

The CHE is a recognised centre for information, policy analysis, and advice on higher education that informs and influences the public dialogue for the transformation of the higher education system.

##### **Programme: Research, Monitoring and Advice**

This programme responds to strategic outcome-oriented goal 3 in partial fulfilment of the Mission, i.e. being a recognised centre for information, policy analysis and advice. The functions within this programme are cross-cutting, in that they synthesise knowledge and insights gained in the quality assurance and research activities carried out in different parts of the organisation in order to inform the policy analysis and advice produced.

A key objective is to undertake research on contemporary issues in higher education, which is generally organised in specific research projects, and which leads to the publication of research findings to be disseminated to CHE stakeholders and other interested parties. Another is to monitor trends and developments in higher education to inform research undertaken by academics across the system or within CHE research projects, and to provide the information that is necessary for the formulation of advice to the Minister.

The third objective is to provide research-based advice to the Minister of Higher Education, Science and Innovation in a proactive manner. The CHE must also respond to any requests



for advice from the Minister. While the number and nature of these cannot be predetermined, every request is of necessity acted upon.

### **Strategic Objective 3.1**

#### **Research**

*Objective Statement: To produce and share reliable research on key issues per year to inform the development and transformation of the higher education system through one publication by the end of March each year.*

#### **a. Sub-Programme: Research**

##### **Publications recording research findings shared**

An article authored by Dr Jane Knight on 'International Programme and Provider Mobility (IPPM) Framework' was reviewed and published as a *BrieflySpeaking*. The article was also submitted to SAQA for possible use as a resource by the Task Team on Foreign Qualifications.

An article authored by Nuraan Davids, Professor and Chairperson of the Department of Education Policy Studies at Stellenbosch University, titled 'The consequences of increasing student alienation in higher education institutions' was published in September 2019, as part of the CHE's *BrieflySpeaking* series. The article can be accessed from the CHE website: [www.che.ac.za](http://www.che.ac.za).

Two *BrieflySpeaking* discussion articles were prepared and distributed to stakeholder. One was on 'Community engagement as a core function of universities', and the other was on the 'Factors constraining articulation in the higher education sector'. Feedback received from stakeholders suggest that the articles were well received.

A comprehensive document providing guidelines for authors who intend to contribute articles for publication in the CHE research journal, *Kagisano*, was compiled.

The CHE entered into an agreement with the Academy of Science of South Africa (ASSAf), publisher of the *South African Journal of Science (SAJS)*, to publish some of the papers presented at the CHE's 2019 Quality Promotion Conference in a themed issue of the *SAJS*. The CHE worked collaboratively with ASSAf on this project and the themed issue on 'Promoting Academic Integrity in Higher Education', which was the theme of the conference, was published as Volume 115 No. 11/12 (2019) of the *SAJS*.



This themed issue of the SAJS is accessible online through the following web address: <https://www.sajs.co.za>. Three (3) of the articles in this issue are authored by staff members at the CHE.

The book, *Reflections of South African Student Leaders: 1994 – 2017*, was published by African Minds in March 2020. This was a joint project of the CHE and the Human Science Research Council (HSRC) which ran for two years. The contents of the book are based on interviews with the former student leaders which were conducted by the CHE and HSRC researchers.

#### **Critical discourse events held during the year**

The CHE organised a research colloquium on the theme '*Enhancing Student Engagement for Good Decision-Making and Governance in Higher Education Institutions*'. It was held on 31 July 2019 at the BCX Conference Centre in Centurion, and was attended by fifty-eight (58) participants representing the public and private higher education sector, research institutes and professional bodies.

The purpose of the colloquium was to provide researchers and other interested parties a platform for sharing ideas on matters related to student engagement for improving governance and decision making in higher education institutions. Several papers were presented by researchers from various institutions, and based on the robust discussions that ensued the presentations, the key messages that came out of the colloquium could be summarised as follows:

- The voice of students matters, and institutions and others in authority in the higher education space need to pay attention to such voice when it is raised;
- self-critique is important and support structures for student engagement should be created;
- Support mechanisms should be put in place to assist with student engagement in the complex higher education terrain;
- When dealing with students, the false dichotomy between academic and non-academic staff and/or managers, needs to be reconsidered;
- Academics and non-academics should work together and talk to each other more, and pose a united front on issues to do with student engagement; and
- Students should also be engaged in academic matters, including on curriculum reform, and not only on governance, policy and political decisions only.

A concept note for a colloquium on the 'Fourth Industrial Revolution within the Context of Transformation in Higher Education' was prepared and approved by both the



Monitoring, Research and Advice Committee (MRAC) as well as Council. Arrangements were underway to convene the colloquium when the nation-wide lockdown was declared.

#### **Other activities under the sub-programme**

The CHE entered into a research service level agreement (SLA) with the Ali Mazrui Centre for Higher Education Studies at the University of Johannesburg. Under the SLA, the Ali Mazrui Centre will make its experts available to conduct research on 'Access and Success in Higher Education in South Africa: Impact on Inequality'. The research project has three (3) parts. The first part will focus on assessing the impact of fees-free higher education on inequality, drop out and progression rates. The second part will explore the experiences of successful undergraduate students from previously disadvantaged background with negotiating their epistemic access and success within diverse and rapidly changing university environment. The third part will involve undertaking a desk-top study to provide an overview of what is being done by institutions in establishing the employment destinations of their graduates; and to use the data acquired from the institutions to develop a framework and guidelines for institutional tracer studies.

The outcome of the research to be conducted with Ali Mazrui Centre for Higher Education Studies will include policy reports and recommendations, papers for publication in academic journals, and workshops/colloquia with higher education institutions to engage with the findings.

### **Strategic Objective 3.2**

#### *Monitoring*

*Objective Statement: To collate and disseminate by the end of March each year monitoring information on key trends and developments in higher education.*

#### **b. Sub-Programme: Monitoring**

##### **Collate and disseminate information on key trends and developments**

The compilation of the *Vita/Stats* 2018 was finalised and printing started but could not be completed because of the nation-wide lockdown. However, an e-book version was



released and uploaded onto the website for interested parties to access. Printed copies will be available as soon as the printing process is completed.

The theme teams that were working on the '*Performance of the Higher Education System 25 Years into Democracy*' project submitted their draft theme chapters. These have since been forwarded to the Critical Reader and Integrative Writer who was appointed to critically review the chapters and recommend improvements. The review process is expected to be finalised by July 2020, thereafter the entire draft publication will be presented to the Management Committee (MANCO of the CHE, the Monitoring, Research and Advice Committee (MRAC) and Council. The feedback that will be provided by these structures will be used to finetune the draft publication before finalisation for publication.

### **Strategic Objective 3.3**

#### *Advice*

*Objective Statement: To provide by the end of each financial year research-based recommendations and advice on issues of national importance to the higher education sector, both proactively and in response to Ministerial requests.*

#### **c. Sub-Programme: Advice**

Requests were received to review, and provide advice on the following:

- Information Policy for the PSET;
- Draft Data Dictionary;
- Central Admissions Service (CAS) Bill; and
- Policy Framework for the Internationalisation of Higher Education in South Africa.
- Review of the Higher Education Act: proactive advice on issues that the Act does not sufficiently address, or provide guidance on; as well as inconsistencies with other Acts or policies;
- Revised Language Policy for Higher Education, 2017: advice in response to a request from the Minister; and
- Policy Framework on Extended Curriculum Programmes.

These were reviewed and the respective pieces of advice were compiled and submitted.



Two pieces of proactive advice were submitted. One was on review of the Higher Education Act, and the other one was on initiatives to promote articulation. The latter was submitted through the NQF CEO Committee.

### **3.1.4 Strategic Goal Four**

#### **3.1.4.1 Effective, sustainable and dynamic organization**

The CHE strives to be an effective, sustainable, and dynamic organisation, with systems, processes, and capacity/resources that enable it to discharge its mission and legal mandate optimally.

#### **Programme: Administration and Support**

This Programme is a cross-cutting function that is responsible for providing the systems, activities and structures that enable the organisation to operate effectively and efficiently. It covers the functions in the CEO's Office and the following key support functions: Human Resources, Information Communication and Technology (ICT), Finance and Supply Chain, Facilities management, Corporate Communication, and Administration. The main objectives of this programme are: to set the policy and tone for good governance; statutory compliance, fusion of business best practice across the organisation; ensure the efficient and effective provision of corporate services – administrative, financial, technical and professional; and to support the discharge of the core mandate of the CHE.

#### **Strategic Objective 4.1**

*Integrated, Online Information, Communication and Technology (ICT) System completed in the phases allocated for each year.*

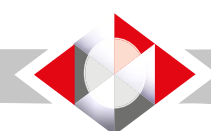
*Objective Statement: Develop and maintain an effective, integrated online CHE ICT system.*

#### **a. Sub-Programme: Information Communication and Technology**

The National Reviews Online System has been upgraded on the CHE's local server and the implementation of the upgrade is completed, and the system is ready for use.

##### **i. HEQC Online**

The HEQC-online has been stable since the upgrade. Workflows which were initially conducted offline have since been integrated into the online system.



ii. Office 365

The Office 365 deployment project was successfully implemented on the 1<sup>st</sup> of April and the system has been in use since. The system's superior collaboration features will be utilised to initiate the Integrated Quality Assurance Framework project amongst others. Interdepartmental collaboration platforms have been developed to enhance real time collaboration and highly available repositories of information.

**Strategic Objective 4.2**

*To ensure governance and compliance of ICT with statutory requirements each financial year.*

*Objective Statement: To ensure compliance with regulatory requirements.*

**b. Sub-Programme: Information Communication and Technology**

Information and Communication Technology (ICT) continues to play an ever more important role as a strategic enabler of service delivery. The primary goal is to provide efficient support to carry out the core functions of the CHE and to ensure compliance and alignment with all the standards, codes, best practice and regulations of the ICT sector.

The ICT function, although fully outsourced, provides a sustainable and scalable ICT platform to enable the organisation to meet its strategic objectives and provide a critical service offering to the CHE's users and stakeholders.

In 2019, the CHE moved into a new Office 365 platform which is a very interactive system with a lot of innovative features. This system was deployed successfully and has subsequently become a great enabler during the COVID-19 period with its Teams feature. This enabled employees to continue working efficiently from home including having meetings remotely. We are currently working on optimising this feature to include developing workflows which will mitigate the risk of being a too paper based entity.

On 19 September 2019, Council approved the Terms of Reference of the new ICT Committee of Council (ICTCoC) which reports directly to Council. The committee consists of a good mix of the critical ICT and Governance capabilities required as the oversight for ICT.





The following ICT policies and framework were approved during 2019/20:

- ICT Cyber Security Policy
- ICT Network and Security Policy
- ICT Bring Your OWN Device Policy
- ICT Social Media Policy
- ICT Disaster Recovery Policy
- Enterprise Business Continuity Policy
- ICT Architectural and Operational Framework
- ICT Incident Management Policy
- ICT Information Management Policy
- ICTCoC Terms of Reference
- Terms of Reference of the ICT Operational Committee

The CHE appointed internal audit service provider, Nexia SAB&T to conduct an internal ICT audit that was finalised during the fourth quarter and the findings served at the ARC meeting of 14 April 2020. During the audit process, the ICT review was also conducted in February 2020 and a few recommendations were made in line with ICT Governance and Security, most of these have been addressed. However, progress reports will have to be provided on a quarterly basis.

### **ICT Challenges**

The CHE is very much reliant on service providers which is becoming a challenge especially when there are more than one functioning on the same network. It requires the organisation to ensure there are good protocols to mitigate security challenges including Cyberattacks. The other challenge is that the organisation does not have adequate capacity to address all the ICT related risks. However, the plan to recruit additional capabilities is currently underway.

### **Strategic Objectives 4.3 and 4.4**

*Human Resources Management. Staff training in each financial year.*

*Objective Statement: Each year provide an enabling and nurturing human resources management environment that optimizes the skills and human capacity of the CHE.*





**c. Sub-Programme: Human Resources Management**

The Human Resources function continues to play a significant role in facilitating and enabling the execution of one of the CHE's key strategic imperatives, namely, to build the CHE's intellectual capability including the development of an enabling organisational climate to enable it to discharge its mandate effectively. The Human Resources function is overseen by the Human Resources and Remuneration Committee, which is a sub-committee of Council. In establishing the CHE as an employer of choice, its priorities focus on creating a great working environment to attract, optimise and retain exceptional talent.

**a. Development of a Human Resources Strategic Plan for 2019-2024**

The Human Resources Strategic Plan developed in 2019 and outer years continues to be the nucleus of the organisation in ensuring a transformed, engaged, satisfied and talented workforce. During the year under review a lot of time was spent on developing and training the internal capabilities in the organisation. The objective is to ensure that the CHE has a workforce that could function in a cross functional manner in order to reinforce integration.

**b. Integrated Talent Management**

The CHE's inability not only to attract but to retain critical capabilities culminated in the development and approval of the Integrated Talent Management Policy and Procedures on 15 March 2018. The objective is to enable the organisation to develop its own timber using the individual performance as the key to this programme. The key pillars of this process are Performance, Potential and Levels of work - it was therefore critical to ensure that there was readiness created for the participation on this programme. The CHE has reached its peak in terms of the maturity of its performance management system, is currently sourcing an objective assessment tool linked to the CHE's Competency Framework to identify potential amongst the organisations human capital. The training of employees on the principles and procedures for this programme commenced last year with the objective of implementing this programme, except for Senior Manager's and Manco – whose training was planned for the last quarter of the fiscal year 2019/20. This programme will entail several interventions in order to create and develop potential competencies required for the Leadership and Specialisation pathways not only for the CHE but for the sector. The programme is envisaged to commence in April 2020.



This will ensure that the CHE has a sustainable workforce that would take the organisation to the next level – thereby developing our own future leaders. The momentum of this programme will ensue in the next fiscal year.

**c. Staff Turnover, Recruitment, and retention**

The total number of employees at the end of the year under review was 41 with 11 vacant positions against the 52 positions on the approved organisational structure. A number of vacancies have been placed in abeyance due to the organic nature of the work in the respective directorates and the finalisation of the Quality Assurance Framework (IQAF) conceptualisation process. These will be filled when there has been a substantive increase in the workflow, as planned. The monetary savings from the vacancies has been redirected to provide short-term capacity where needed most. Overall, the staff turnover decreased from 14.28% to 7.3% year on year against an industry benchmark of 8%. Overall, the staff retention rate decreased from 81% to 79% year on year against a target of 85% set by the organisation.

The organisation had challenges in attracting the requisite skills for the two senior positions namely: Director: Institutional Audit and the Director: (Research, Monitoring and Advice) which had been vacant for about two years.

**d. Employment Equity Status**

The overall profile in terms of race and gender is 80% African, 5% Coloured, 5% Indian, 10% White, 39% male and 61% female. The profile at management level is 68% African, 5% Coloured, 11% Indian, 16% White, 39% male and 61% female. There was a slight movement in the profile of female employees organisation-wide from 50% to 61% during the period under review.

This is illuminated further in Part D of the report.

**e. Human Resources Challenges**

The attraction and retention of critical skills remains our critical risk, particularly at senior management continues to be the critical risk for the CHE. The size of the organisation is also a hindering factor for career development within the organisation and that makes it difficult to retain the critical skills. It is in this context that we are introducing the Integrated Talent Management in order to grow own timber that will be optimised and nurtured.



**f. Other activities under the sub-programme**

**i. Employee Wellness Day**

The CHE acknowledges that employees are the most critical assets of the organisation and are major contributors to the achievement of its strategic objectives. It is in this context that the organisation in partnership with its wellness partner, Careways, have launched its integrated and comprehensive employee wellness programme. It is considered important to achieve work-life balance because work must be sustainable over many years. This also ensures an increase in productivity.

On 12 April 2019, the CHE held its first Employee Wellness Day, event in the new year – with the theme “Work Life Balance” where employees participated in a Work Life Balance workshop facilitated by a highly experienced Counselling Psychologist. This workshop was followed up by ill health risk assessments for all employees and some wellness therapy.

Employees enjoyed these sessions and acknowledged learning a lot particularly on the need to achieve work-life balance and the ability to identify critical interventions to improve this.

**ii. Employee Satisfaction and Engagement Survey**

An online employee satisfaction and engagement survey was undertaken during the quarter under review. The overall employee's participation rate was 82.6%, which is a sample of 38 out of 46 employees. The survey consisted of several engagement anchors as well as satisfaction drivers. The dimensions that received high scores were: Collaboration/ Colleagues/ teamwork and Communication. The lowest dimensions are: Compensation and benefits, & Supportive organisational leadership. The loyalty analysis indicates that 42% of the workforce are likely to remain within the CHE employment over the next 3 to 5 years; 21% fall in the accessible risk group – mobile employee who may leave and 34% fall into the 'high risk category' – the potential leavers and only 3% (essentially one employee) fall into the trapped category.

Plans are underway to prioritise these matters and to develop intervention plans to address these concerns.



### **iii. Labour Relations Landscape**

The CHE and NEHAWU entered into a recognition agreement on the 26 September 2011 in line with the Labour Relations Act No. 66 of 1995, as amended. This agreement culminated into a structured Labour and Management Committee, which would afford management to engage and consult with labour on several issues. Over the last two years the CHE Nehawu Branch encountered challenges with regards to membership which had an impact on its “sufficient representivity”. They were granted time to increase their membership which was well below the required threshold of 50% + 1. In consultation with their leadership they approached management to withdraw from the agreement as they were considering searching for an alternative home. It is in this context that the extant recognition agreement with Nehawu has with effect from 26 September 2019 ceased to exist. The labour relations environment continues to be stable notwithstanding these challenges.

### **iv. Long Service Awards**

The CHE recognises and values the contribution of all its employees. In addition to retaining and motivating high quality employees it further reaffirms the importance of rewarding those with a record of ongoing commitment, service and loyalty to the organisation.

The following seven (7) employees with a combined total of fifty (50) years of service to the CHE were recognised and rewarded for their excellent contribution to the success of the organisation. They were awarded and celebrated during the year end party held on 6 December 2019. The Chairman of Council, Prof Themba Mosia presented the awards. This entailed bidding farewell to Ms Machogo who was also acknowledged for her commendable contribution in the organisation and particularly to the smooth running of the CEO's office:

- Ms Dorah Mothlalifi – 15 years
- Ms Letisa Maluleka – 10 years
- Mr Thulani Nhlapo – 5 years
- Mr Thulaganyo Mothusi – 5 years
- Ms Bridget Shushu – 5 years
- Ms Babongile Malobola – 5 years
- Dr Amani Saidi – 5 years



**v. CHE Bursary Scheme**

The CHE is committed to the retention and development of its competencies to perform their work and can subsequently sustain the availability of these competencies in future. This is done through the availability of further study assistance (bursary) for the deserving employees. Under the quarter under review four bursaries were awarded to four (4) employees for the 2020/21 years, in the following areas of study:

- Doctoral Degree in Business Administration
- Doctor of Philosophy in Education Management, Law and Policy
- Master's Degree in Public Affairs
- Bachelor's Degree in Commerce

**vi. Response to COVID-19**

As the entire world is dealing with a serious pandemic which is spreading at an alarming rate, this has impacted all aspects of life as we know it. Businesses and organisations have had to take precautionary measures to avoid the spread of COVID-19 and unfortunately, some institutions had no choice but to shut down. The Council on Higher Education (CHE) has taken several preventative measures to avoid the spread of COVID-19, safeguard the wellness of its employees and ensure that the organisation continues to deliver on its mandate.

Upon the first public announcement of the COVID-19, the CHE immediately constituted an internal committee to specifically focus on the COVID-19 and serve as an advisory panel to the CHE Management Committee (MANCO), however due to developments in the organisation this function was subsequently escalated to the MANCO with this committee constituted as the Business Continuity Committee (BCC). The first phase encompassed the reinforcement of personal hygiene and social distancing. It included the installation of hand sanitizer dispensers at all exits and entrances of the building awareness and the implementation of a screening process for all visitors. As part of the screening process, all visitors to the CHE had to declare in writing whether they had any exposure to COVID-19 and/or had travelled outside the South African borders during the preceding 14 days.

After the Government issued regulations in terms of section 27 (2) of the Disaster Management Act, 2002, which set out the steps necessary to prevent an escalation of the virus, containing and minimising its effects, the CHE required all its employees to work from home. All staff have been equipped to work from



home, with nineteen additional staff having been supplied with devices as well as LTE connectivity.

This measure has ensured that the organisation continues to deliver on its mandate. Consequently, for the duration of the lockdown as announced by President Ramaphosa, there will be no walk-ins at the CHE, our telephone services will not be available, the building will be closed with an exception of an emergency situation and all CHE staff are available through email for the essential services of the organisation.

The CHE will continue to monitor the situation and take a lead from the South Africa National Government. We continue to motivate staff through different social media platforms to keep them informed, with the provision of tips on how to navigate the difficult and challenging lockdown period. Through the CHE wellness partners, employees have an avenue to consider when confronted with personal, emotional, and mental health issues associated with these types of measures.

The CHE is in full support of all government initiatives aimed at curbing the spread of COVID-19 and we encourage citizens of the country to stay home, maintain good hygiene, practice social distancing and to comply with the regulations related to the lockdown.

Work has been continued via videoconferencing. Only the work requiring institutional visits and contact meetings could not proceed thus far.

As the COVID-19 pandemic continues to evolve particularly with more pupils returning back, the winter season and the continued surge in infections throughout the country, the CHE has during alert level 3 undertaken to continue working remotely with a minimum of eight employees allowed to be in the office at a time (ad-hoc basis).

The organisation has in line with the Disaster Management Act regulations appointed a Compliance Officer who is working with the Occupational Health and Safety Committee to ensure compliance. A comprehensive Return to Work Plan has been developed and all preventative measures to avoid the spread of COVID-19 to safeguard the wellness of its employees are in place (screening, registers, PPEs, etcetera).

The organisation continues to work remotely to ensure that we continue to deliver on our mandate. All governance meetings, interviews and internal engagements are conducted virtually.



We continue to motivate staff through different social media platforms to keep them informed, with the provision of tips on how to navigate the difficult and challenging lockdown period. Through the CHE wellness partners – Careways, employees have an avenue to consider when confronted with personal, emotional, and mental health issues associated with these types of measures.

**Strategic Objectives 4.5, 4.6, 4.7 and 4.8**

*Financial management and supply chain management. Targets given per financial year.*

*Objective Statement: Each year implement efficient and effective financial management and supply chain management processes.*

**d. Sub-Programme: Finance and Supply Chain Management**

In the financial year under review, there was ongoing focus on governance and accounting policy reviews and enhancements in order to ensure compliance with the applicable guidelines from National Treasury, Accounting Standards and best practices.

All control accounts were reconciled monthly to ensure accurate reporting of monthly finance and supply chain transactions. The strategic and operational risks were identified and assessed, and progress reports were presented to the Audit and Risk Committee and Council for their recommendation and approval.

A total of 218 eligible suppliers were paid on average within 19 days during the year under review. Four expenditure reports were prepared and submitted to DHET and National Treasury by the compliance date during the year under review.

**Policies, Frameworks, Guidelines, Procedures and Processes Development and Review**

The following policies, frameworks, guidelines, procedures and processes were developed and/or reviewed in the year under review:

- Audit and Risk Committee Charter;
- Year-End Financial Statement Close Process;
- Account Payable Policy;
- Bank Management Policy;
- Classification of useful lives of assets;
- Debtors Collection Policy; and
- Fixed Assets Management Policy





**Strategic Objective 4.9**

*Number of Corporate Governance meetings each financial year. Targets are per financial year.*

*Objective Statement: Ensure on-going good corporate governance and adherence to the legislative and regulatory environment governing the CHE.*

**a. Sub-Programme: Office of the Chief Executive Officer**

The Corporate Governance function in the Office of the CEO ensures ongoing good corporate governance and adherence to the legislative and regulatory environment and prescripts governing the CHE. The function is administered by an Organisational Secretary who in addition provides advisory, secretarial, communication, planning and reporting support services to the governance and management structures in order to ensure optimal accountability, transparency, and compliance with relevant governance principles, laws, regulations and policies.

During the 2019/20 financial year, a total of twenty-eight (28) governance meetings including the Audit and Risk Committee (ARC), the Executive Committee of Council (EXCO), the Higher Education Quality Committee (HEQC), the Human Resources and Remuneration Committee (HRRC), the Nominations and Governance Committee (NGC), the Monitoring, Research and Advice Committee, the ICT Committee of Council (ICTCoC) and Council were held.

The Council and the HEQC Induction Sessions for the new members of Council and the HEQC as well as the subcommittees of Council and the HEQC were also held.

**Strategic Objective 4.10**

*Number of International Partnerships and Cooperation at the end of each financial year. Targets given per financial year.*

*Objective Statement: Develop and maintain functional strategic partnerships with international quality assurance bodies and networks.*

**b. Sub-Programme: Office of the Chief Executive Officer**

During the month of May 2019, the CHE hosted a delegation from the Botswana Qualifications Authority (BQA) that was in South Africa on a benchmarking tour of the Quality Councils (QCs).





The CHE hosted two international delegations during the second quarter. The first one was the Norwegian Agency for international Cooperation and Quality Enhancement in Higher Education, which was hosted by the CHE on 19 August 2019. The second one was a delegation from Tanzania Commission for Universities (TCU) which undertook a two-day study visit to the CHE on 29 and 30 August 2019.

The Director: Quality Assurance and Promotion Coordination represented the Chief Executive Officer at a meeting of the Executive Committee of the Southern African Quality Assurance Network (SAQAN) which was held on 24 January 2020 to evaluate progress on projects planned for 2019, and to plan new ones for 2020. At the meeting the CHE was asked to lead the projects on research in quality assurance, and proposed establishment of a regional journal on quality assurance.

#### **Strategic Objective 4.11**

*Number of media releases, communiqués, newsletters and other corporate information resources released by the end of each year*

*Objective Statement: Develop and maintain good relations with stakeholders*

#### **c. Sub-Programme: Office of the Chief Executive Officer**

The following media enquiries were responded to during the first quarter:

- Daily Sun regarding accreditation of programmes at Walter Sisulu University
- Sunday Times regarding publications in predatory journals

One media release on the status of nursing programmes and qualifications was issued in August 2019.

Volume 2, No. 3 of Quality Matters, the official electronic newsletter of the CHE was produced and released to stakeholders in September 2019.

The following media releases were produced during the third quarter:

- Doctoral Degrees, for the Cape Talk Radio – 08 November 2019
- Walter Sisulu University Journalism Course, for the Daily Dispatch – 12 November 2019
- Doctoral Standards Review for Research Africa – 15 November 2019



A new issue of *Quality Matters*, Volume 02, No. 04, the official electronic newsletter of the CHE, was also produced and released to stakeholders.

During the fourth quarter, the CHE prepared and released the '*Statement of the Council on Higher Education on the High Court Decision of 6 March 2020 in The Centre for Fine Art, Animation and Design (Pty) Ltd Matter: Case No. D11869/2018*'.

A new issue of *Quality Matters*, Volume 02, No. 05, the official electronic newsletter of the CHE, was produced.

#### **Strategic Objectives 4.12**

*To keep abreast of QA trends – one international conference participated in by the end of March each year.*

*Objective Statement: Keep abreast of international trends in quality assurance in higher education.*

#### **d. Sub-Programme: Office of the Chief Executive Officer**

A benchmarking scoping study on 'accelerated learning' was conducted during the first quarter. The study identified key areas that require research to examine the trends in international thinking and practice with respect to accelerated learning. This study will inform the position that the CHE will have to adopt in order to respond to enquiries by institutions regarding permissibility or otherwise of 'accelerated learning'.

Following the scoping study on 'accelerated learning', a research proposal was developed and Prof Isaac Ntshoe of the Central University of Technology (CUT) was appointed to conduct the research. Prof Ntshoe submitted a draft research report during the fourth quarter. Comments on the draft research report were sent to him, and he revised the draft report accordingly. The final report was submitted in June 2020.

The benchmarking study on cross-border joint qualifications was also extended as the study of the previous year revealed that there was so much that was going on internationally on this topic, and that, therefore, it was important to keep monitoring such developments.

During the third quarter, the paper prepared as part of the benchmarking project was published in the *South African Journal of Higher Education (SAJHE)*, Volume 33,



Number 5 (2019). It is titled 'The Snowball Effects of Practices that Compromise the Credibility and Integrity of Higher Education' and was authored by Drs Christabelle Moyo and Amani Saidi.

During the fourth quarter, the Chief Executive Officer attended the annual Achieving the Dream (ATD) Conference for 2020, in the United States in February 2020. The conference is focused on student success. A detailed report distilling the main learning from the conference has been shared with the organisation, the sector (through the CHE newsletter) and with key committees.

The CHE organised a Quality Promotion Conference that took place from 26 to 28 February 2020 at the CSIR International Convention Centre in Pretoria. It was attended by one-hundred and ninety-nine (199) participants some of whom were from Botswana, Cameroon, Ghana, Kenya, Senegal, Zambia and Zimbabwe. Therefore, the conference attracted participants from eight (8) countries including South Africa. The CHE has entered into an agreement with the South African Journal of Higher Education (SAJHE) to publish a special issue of the SAJHE for the excellent papers presented at the conference, which is expected to come out during the last quarter of 2020.



### 3.2 OVERVIEW OF THE CHE'S PERFORMANCE: 2019/20

Table 6: Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Sub-programme and Performance indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
<b>Programme 1: Institutional Quality Assurance</b>						
1.1 To develop methodology to assess HEIs QA systems	<b>Sub-Programme: Assessment of HEIs QA Systems</b> Number 1.3.1: Develop methodology to assess HEIs QA systems by end March 2020	1 Approved revised Draft Audit Framework and Manual	Revised methodology to assess HEIs QA systems	Revised methodology to assess HEIs QA systems	None	<b>ACHIEVED THE TARGET</b> A copy of the approved draft methodology to assess HEIs QA systems is available
1.2 To accredit new programmes submitted each financial year	<b>Sub-Programme: Accreditation</b> Number 1.3.2: Accredit new programmes submitted each financial year	69% (580 processed applications tabled at the HEQC within 12 months after the appointment of an evaluator / 636 tabled at the HEQC)	75% of submitted applications with a HEQC outcome within 12 months after the appointment of an evaluator	89% (1163 processed / 1305 tabled x 100 = 89%)	None	<b>ACHIEVED THE TARGET</b> <b>Quarter 1:</b> 270 programmes served at HEQC meeting of which 187 were processed within the timeframe – performance target is 69% <b>Quarter 2:</b> 642 programmes were tabled at a HEQC meeting of which 585 were processed within the timeframe. Performance target is 91% <b>Quarter 3:</b> 243 programmes were tabled at a HEQC meeting of which 243 were tabled within the timeframe. Performance target is 100% <b>Quarter 4:</b> 150 programmes were tabled at a HEQC meeting of which 148 were tabled within the timeframe. Performance target is 99%
1.3 To re-accredit programmes submitted each financial year	<b>Sub-Programme: Accreditation</b> Number 1.3.3 Re-accredit programmes submitted each financial year	73% (102 submitted applications processed with HEQC outcomes within 18 months after the appointment of an evaluator / 139 applications tabled at the HEQC)	80% of submitted applications with a HEQC outcome within 18 months after the appointment of an evaluator	100% (54 processed / 54 tabled x 100 = 100%)	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> In 2019/20, the focus on the accreditation of replacement programmes linked to the HEOSF alignment process resulted in fewer submissions for programme reaccreditation being processed therefore fewer programmes were tabled within the 18 months turnaround time. <b>Quarter 1:</b> 17 programmes tabled at the HEQC meeting and all 9 submitted applications had an HEQC outcome within 18 months after the appointment of an evaluator. Performance target is 100% <b>Quarter 2:</b> 36 programmes tabled at the HEQC meeting and all 36 submitted applications had an HEQC outcome within 18 months after the appointment of an

Strategic objectives	Sub-programme and Performance indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
1.4 To verify institutional capacity to offer accredited programmes by means of site visits to institutions each financial year	<b>Sub-Programme: Accreditation</b> Number 1.3.4 Verification of institutional capacity to offer accredited programmes by means of site visits to institutions each financial year	95% (38 reports tabled at an HEQC meeting 12 months after a site visit / 40 reports tabled at the HEQC)	75% of site visit reports tabled at an HEQC meeting 12 months after a site visit	93% (25 processed / 27 tabled x 100 = 93%)	None	evaluator. Performance target is 100% <b>Quarter 3:</b> 1 programme tabled at the HEQC meeting and 1 submitted application had an HEQC outcome within 18 months after the appointment of an evaluator. Performance target is 100% <b>Quarter 4:</b> No programmes were submitted and/or tabled at the HEQC meeting.  <b>EXCEEDED THE TARGET</b> <b>Reason:</b> In 2019/20, the focus on the accreditation of replacement programmes linked to the HEQSF alignment process resulted in fewer site visits being conducted therefore all site visits reports were tabled within the 12 months turnaround time. <b>Quarter 1:</b> 11 site visit reports were tabled at the HEQC meeting. 9 of these reports were tabled within 12 months after the site visit. Performance target is 82% <b>Quarter 2:</b> 10 reports tabled at HEQC/10 reports tabled at an HEQC meeting within 12 months of a site visit. Performance target is 100% <b>Quarter 3:</b> 10 reports tabled at HEQC/6 reports tabled at an HEQC meeting within 12 months of a site visit. Performance target is 100% <b>Quarter 4:</b> No reports were tabled at the HEQC meeting.  <b>ACHIEVED THE TARGET</b> Progress report on the revised workflows for programme accreditation submitted during the 3rd Quarter
1.5 To revise, pilot and publish a framework and process for programme accreditation by end March 2020	<b>Sub-Programme: Accreditation</b> Number 1.3.5 Revise, pilot and publish a framework and process for programme accreditation by end March 2020	0	Progress report on the revised workflows for programme accreditation	Progress report on the revised workflows for programme accreditation	None	<b>ACHIEVED THE TARGET</b> Progress report on the revised workflows for programme accreditation submitted during the 3rd Quarter
<b>Programme 2: Qualifications Management and Programme Review</b>						
2.1 HEQSF Policy Development, review and implementation each financial year	<b>Sub-Programme: Management of the HEQSF</b> Number 2.3.1 Number of HEQSF policies developed and approved by end of March 2020	0	1 policy developed and approved	1 policy developed and approved	None	<b>ACHIEVED THE TARGET</b> Norms of Certification for the Higher Education Sector within the Context of the Higher Education Qualifications Sub-Framework document approved by the HEQC on 13 February 2020.

Strategic objectives	Sub-programme and Performance Indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
2.2 HEQSF Information Management – collect data on HEQCIS to upload to NLRD each financial year	<b>Sub-Programme: Management of the HEQSF</b> Number 2.3.2 Number of HEQCIS uploads to NLRD per by the end of March 2020	2 uploads of data from HEQCIS to the NLRD done during the Second and Third Quarters	2 reports on HEQCIS uploads to NLRD	2 reports on HEQCIS uploads to NLRD	None	<b>ACHIEVED THE TARGET</b> Data was uploaded from HEQCIS to the NLRD in September 2019 and March 2020
2.3 Number of qualification standards developed in each financial year	<b>Sub-Programme: Development of Qualification Standards</b> Number 2.3.3 Number of qualification standards developed in planned phases by end of March 2020	1 Doctoral Qualifications developed/reviewed, and standard completed	1 Qualification Standard developed/reviewed and completed	0	Qualification Standards were developed/reviewed and completed but they were not tabled at the HEQC meeting for final approval.	<b>DID NOT ACHIEVE THE TARGET</b> <b>Reason:</b> The following 3 qualification standards were completed on 20 and 26 February 2020 (for approval by HEQC) but they could not be tabled at the HEQC due to COVID-19 problems: • Bachelor of Commerce • Bachelor of Library and Information Science • Bachelor of Sports Coaching
2.4 Management of the phases of National Reviews planned for each financial year	<b>Sub-Programme: National Reviews</b> Number 2.3.4 Reports of planned major milestones in each national review achieved by the end of March 2020	1 LLB national report is completed	Approved activities report on Doctoral Qualifications – Phase 2 Completion of site-visits reports and publication of the national review outcomes	Approved activities report on Doctoral Reviews – Project Plan approved	Completion of site-visits reports, and publication of the national review outcomes could not be done because of the request from institutions.	<b>DID NOT ACHIEVE THE TARGET</b> <b>Reason:</b> Site-visits not conducted, reports and publication of the national review outcomes not done. The submission date of the SERs was moved from January 2020 to 31 March 2020 as per the request from institutions.
		1 Approved Final National Review Manual and Self-Evaluation Report for the Doctoral Qualifications	Approved activities report on Bachelor of Library and Information Sciences – Phase 1 Completion of the national review manual and Self-Evaluation Report	Approved activities report on the LLB review for private providers	Completion of the Self-Evaluation Report could not be finalised before the end of March 2020 as the request LLB review for private providers came late.	<b>DID NOT ACHIEVE THE TARGET</b> <b>Reason:</b> Bachelor of Library and Information Science Review was replaced by the LLB review for private providers. There was an urgent request for the review sector because of the problems identified by the South African Law Deans Association (SALDA).
<b>Programme 3: Research, Monitoring and Advice</b>						
3.1 Research: To produce and share reliable research on key issues per year to inform the development and transformation of the higher education system through one publication by the end of March each year	<b>Sub-Programme: Research</b> Number 3.3.1(a) One publication recording research findings by end March 2020	0	One publication published and shared	2 publications published and shared Themed Issue of the South African Journal of Science Promoting Academic Integrity in Higher	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> The Reflections book should have been completed by the end of March 2018/19 but it rolled over to 2019/20 year because of the resignation of Director and Senior Research Manager who were working on this project. We restarted the work late and could not complete it in time before the end of 2018/19.

Strategic objectives	Sub-programme and Performance Indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
3.2 Monitoring: To collate and disseminate by the end of March each year monitoring information on key trends and developments in higher education				Education, Volume 115 No. 11/12(2019) • Reflections of South African Student Leaders from 1995 to 2017 published in March 2020		
	<b>Sub-Programme: Research</b> Number 3.3.1(b) One critical discourse event held by end March 2020	1 critical discourse event held	One event held	1 Event held	None	<b>ACHIEVED THE TARGET</b> The research colloquium on 'Enhancing Student Engagement for Good Decision-Making and Governance in Higher Education Institutions' was held on 31 July 2019.
	<b>Sub-Programme: Monitoring</b> Number 3.3.2 One monitoring publication, <i>VitalStats</i> published by end March 2020	1 <i>VitalStats</i> publication produced and shared	One <i>VitalStats</i> publication produced and shared	1 <i>VitalStats</i> publication produced and shared	None	<b>ACHIEVED THE TARGET</b> The <i>VitalStats</i> 2018 publication was produced and shared during the last quarter of the financial year
3.3 Advice: To provide by the end of each financial year research-based advice on issues of national importance to the higher education sector, both proactively and in response to Ministerial requests	<b>Sub-Programme: Advice</b> Number 3.3.3(a) Number of Proactive advice reports to the Minister of Higher Education and Training by end March 2020	2 Advices prepared and sent to the Minister: HEST: • Advice on the Recognition of Prior Learning • Advice on the NQF Amendment Bill	Two Advisory reports submitted to the Minister	2 Advisory reports submitted to the Minister	None	<b>ACHIEVED THE TARGET</b> The following advisory reports were submitted to the Minister: • Articulation Policy Implementation Report • Advice on the Review of the Higher Education Act was submitted to the Minister in August 2019
	<b>Sub-Programme: Advice</b> Number 3.3.3(b) Number of responsive advice reports to the Minister of Higher Education and Training by end March 2020	100% One advice was requested and provided on the wording of the LLB in the Legal Practitioners Act	80% of requests received and responded to	100% 6 requests for advice were responded to with the submission of the advice	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> Only six requests for advice from the Minister were received before the end of the 2019/20 financial year. The CHE managed to submit the requested advice within the stipulated timeframe without any challenges.  The following 6 requests for advice were responded to with the submission of the advice: • Information Policy for the PSET • Draft Data Dictionary for the National Service Bill • Draft Policy for the Internationalisation of Higher Education • Advice on the Revised Language Policy for Higher Education, 2017 • Advice on the Policy Framework on Extended Curriculum Programmes



Strategic objectives	Sub-programme and Performance Indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
<b>Programme 4: Administration and Support</b>						
4.1 Integrated, online Information, Communication and Technology (ICT) System completed in the phases allocated for each year.	<b>Sub-Programme: Information Communication and Technology</b> Number 4.3.1 Development of an integrated online CHE management information system by the end of the financial year	1 Report on implementation of Phase 1 (Upgrade of HEQC online system and Installation of Office 365 to enhance integration)	Implementation of Phase 2 of the project	Report on implementation of Phase 2 of the project	None	<b>ACHIEVED THE TARGET</b> Report on implementation of Phase 2 of the NR Project is available.
4.2 To ensure governance and compliance of ICT with statutory requirements each financial year	<b>Sub-Programme: Information Communication and Technology</b> Number 4.3.2 Number of reviewed and developed ICT policies, frameworks, guidelines, procedures and processes each quarter	7 <ul style="list-style-type: none"> <li>Telephone Management Policy (Revised)</li> <li>ICT Governance Framework (Revised)</li> <li>ICT User Policy (Revised)</li> <li>Cyber Security Policy (New)</li> <li>Bring Your Own Device Policy (New)</li> <li>Social Media Policy (Revised)</li> <li>ICT Network and Security Policy (Revised)</li> </ul>	6 <ul style="list-style-type: none"> <li>1 Policy developed and approved</li> <li>1 Framework reviewed and approved</li> <li>4 Policies reviewed and approved</li> </ul>	11 <ul style="list-style-type: none"> <li>8 policies developed and approved.</li> <li>2 policies reviewed and approved.</li> <li>1 ICTCoC Terms of Reference</li> </ul>	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> There was a need to develop/review five additional policies to ensure compliance with the necessary IT developments. The following policies were reviewed and approved: <ul style="list-style-type: none"> <li>ICT Cyber Security Policy</li> <li>ICT Network and Security Policy</li> <li>ICT Bring Your Own Device Policy</li> <li>ICT Social Media Policy</li> <li>ICT Disaster Recovery Policy</li> <li>Enterprise Business Continuity Policy</li> <li>ICT Architectural and Operational Framework</li> <li>ICT Incident Management Policy</li> <li>ICT Information Management Policy</li> <li>ICTCoC Terms of Reference</li> <li>Terms of Reference of the ICT Operational Committee</li> </ul>
4.3 and 4.4 Human Resources Management. Staff training in each financial year	<b>Sub-Programme: Human Resources</b> Number 4.3.3 Number of staff training interventions offered within each quarter	40 training interventions offered	20 staff training interventions offered	34 training interventions were offered	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> Staff members who needed to be supported with the necessary training exceeded the estimated target. Report on training interventions offered is available
	<b>Sub-Programme: Human Resources</b> Number 4.3.4 Percentage of approved posts on the organisational structure filled throughout the quarter	81% of approved posts on the organisational structure filled (42 employees). Total number of approved posts is 52.	85% of approved posts on the organisational structure filled. (44 employees)	78.85% of approved posts on the organisational structure are filled (41 employees) against a total number of 52 positions on the approved organisational structure	Did not manage to fill some of the vacancies on a fulltime basis have been put in absence due to the QAF Project.	<b>DID NOT ACHIEVE THE TARGET</b> <b>Reason:</b> Filling of some of the vacancies on a fulltime basis have been put in absence due to the QAF Project.



Strategic objectives	Sub-programme and Performance Indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
4.5, 4.6, 4.7 and 4.8 Financial management and supply chain management: targets given per financial year	<b>Sub-Programme: Finance and Supply Chain Management</b> Number 4.3.5 Number of developed Finance and SCM policies, frameworks, guidelines and procedures within each quarter	<b>2</b> <ul style="list-style-type: none"> <li>Fraud Prevention Policy and Plan</li> <li>Year End Financial Statement Close Process</li> </ul>	<b>1</b> developed and approved policy, framework, guidance and procedures	<b>1</b> Year End Financial Statement Close Process	None	<b>ACHIEVED THE TARGET</b> The Year End Financial Statement Close document was approved.
	<b>Sub-Programme: Finance and Supply Chain Management</b> Number 4.3.6 Number of reviewed Finance and SCM policies, frameworks, guidelines and procedures within each financial year	<b>30</b> The following 3 documents were reviewed and updated: <ul style="list-style-type: none"> <li>Applicable rates payable to Peer Academics for the year 2018/19.</li> <li>SCM Policy; and</li> <li>Accounts Payable Policy</li> </ul> 27 documents were also reviewed in 2018/19 but no amendments were made	<b>3</b> reviewed policies, framework, guidance and procedures	<b>6</b> policies, framework, guidance and procedures were reviewed	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> There was a need to review additional 3 policies, framework, guidance and procedures in order to comply with the changes in the National Treasury prescripts.  The following documents were reviewed: <ul style="list-style-type: none"> <li>Audit and Risk Committee Charter</li> <li>Accounts payable Policy</li> <li>Bank Management Policy</li> <li>Classification of useful lives of assets</li> <li>Debtors and collection Policy</li> <li>Fixed Assets Management Policy</li> </ul>
	<b>Sub-Programme: Finance and Supply Chain Management</b> Number 4.3.7 Average percentage of eligible suppliers paid within 30 days each month within the quarter	Report on 337 (100%) Average percentage of eligible suppliers paid within 19 days	100% Average percentage of eligible suppliers paid within 30 days	218 suppliers (100%) paid averagely within 19 days	None	<b>ACHIEVED THE TARGET</b> Suppliers payment report available
	<b>Sub-Programme: Finance and Supply Chain Management</b> Number 4.3.8 Number of expenditure reports submitted to DHET by the compliance date	<b>4</b> approved expenditure reports submitted to DHET by the compliance date	<b>4</b> approved Quarterly expenditure reports submitted	<b>4</b> approved expenditure reports submitted to the relevant authorities	None	<b>ACHIEVED THE TARGET</b> Copies of the 4 Quarterly Reports submitted to DHET by the compliance date are available

Strategic objectives	Sub-programme and Performance Indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
4.9 Number of Corporate Governance meetings each financial year. Targets are per financial year	<b>Sub-Programme: Office of the CEO</b> Number 4.3.9 Number of scheduled governance meetings to be held by the end of March 2020	23 governance meetings held during 2018/19	22 meetings held	28 governance meetings were held	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> Additional 6 governance meetings were held as a result of requests for special meetings and the meetings of the new Committees (the ICTCoC and the MRAC).
4.10 Number of International Partnerships and Cooperation at the end of each financial year. Targets given per financial year	<b>Sub-Programme: Office of the CEO</b> Number 4.3.10 Number of active international partnerships participated in by the end of March 2020	8 international partnerships and cooperation activities or events	3 international partnerships and cooperation activities or events	3 Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education Tanzania Commission for Universities (TCU) EXCO of SAQAN	None	<b>ACHIEVED THE TARGET</b>
4.11 Number of media releases, communiqués, newsletters and other corporate information resources released by the end of each year	<b>Sub-Programme: Quality Assurance and promotion Coordination</b> Number 4.3.11 Number of media releases, communiqués, newsletters and other corporate information resources released by the end of March 2020	8 media releases, communiqués, newsletters and other corporate information resources released	3 media releases, communiqués, newsletters and other corporate information resources released	8 Media release on the Status of Nursing Programmes and Qualifications: August 2019 The CHE Official Newsletter: Quality Matters Volum2, No. 3 published in September 2019 Media releases to: (1) Cape Talk Radio, (2) Daily Dispatch, and (3) Research Africa Newsletter Volume 02, Number 04 Media release on CFAD Quality Matters, Vol 02, No. 5	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> The CHE released additional or unplanned media releases in response to the media queries.
4.12 and 4.13 To keep abreast of QA trends – one international conference participated in by the end of March each year. To conduct benchmarking exercises of key CHE processes	<b>Sub-Programme: Quality Assurance and promotion Coordination</b> Number 4.3.12 To keep abreast of QA trends – one international conference participated in by the end of March 2020	2 international conference participated in	1 international conference participated in	2 CEO's Achieving the Dream Conference Report Quality Promotion Conference Handbook	None	<b>EXCEEDED THE TARGET</b> <b>Reason:</b> The CEO had to attend the Achieving the Dream Conference in order to keep abreast of new developments in the higher education sector.



Strategic objectives	Sub-programme and Performance Indicator	Audited Annual output for 2018/19	Annual target per APP (2019/20)	Annual Cumulative output (2019/20)	Deviation from planned target and Challenges	Indication of achievement or non-achievement
	Sub-Programme: Quality Assurance and promotion Number 4.3.13 To conduct benchmarking exercises of key CHE processes by end of each year	1 Benchmarking report produced	1 benchmarking report produced	1 South Africa Journal of Higher Education Volume 33, Number 5 (2019)	None	ACHIEVED THE TARGET

### 3.3 LINKING PERFORMANCE WITH BUDGETS

Table 7: Link between the performance per programme and the allocated budgets

Programme/activity/objective	2019/2020			2018/2019		
	Budget	Actual	(Over)/Under Expenditure	Budget	Actual	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration and Support	34 990	32 827	2 163	33 309	34 012	(703)
Institutional Quality Assurance	33 539	26 423	7 116	21 670	17 502	4 168
Research, Monitoring and Advice	9 010	6 313	2 697	5 547	3 801	1 746
Qualifications Management and Programme Reviews	11 387	4 357	7 030	4 182	5 430	(1 248)
<b>Total</b>	<b>88 926</b>	<b>69 920</b>	<b>19 006</b>	<b>64 708</b>	<b>60 745</b>	<b>3 963</b>

#### 4. REVENUE COLLECTION

**Table 8: Link between the performance per programme and the allocated budgets**

Sources of revenue	2019/2020			2018/2020		
	Estimate	Actual	(Over)/Under Collection	Estimate	Actual	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
DHET – Grant	57 134	57 117	17	50 727	50 727	-
Cost Recovery – Private Accreditation	5 375	10 043	(4 668)	4 000	5 431	(1 431)
Interest received Investment	1 200	1 738	(538)	850	2 259	(1 409)
Realisation of deferred transfer	18 217	5,296	12 921	1 423	700	723
Roll-over of funds	7 000		7 000	7 708	7 708	-
<b>Total</b>	<b>88 926</b>	<b>74 194</b>	<b>14 732</b>	<b>64 708</b>	<b>66 825</b>	<b>(2 117)</b>



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#### 4.1 CAPITAL INVESTMENT

Not applicable



## PART C: GOVERNANCE

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## **1. INTRODUCTION**

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance regarding public entities is applied through the prescripts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's (4) Report on Corporate Governance. Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

## **2. PORTFOLIO COMMITTEES**

The CHE delegation consisting of Prof T Mosia, Prof N Baijnath, Mr T Mothusi, Prof S Ripinga and Dr S Moeng presented the CHE's 2018/19 Annual Report at the Portfolio Committee of the Higher Education, Science and Technology (PCHEST) meeting of 16 October 2019.

The CHE presentation was well-received and there were no major issues of concern raised by the portfolio committee regarding the CHE's discharge of its mandate.

The PCHEST commended the CHE for achieving another clean audit during the 2018/19 financial year.

## **3. EXECUTIVE AUTHORITY**

Prof T Mosia and Ms N Lawton-Misra attended a meeting in Parliament on Tuesday, 6 November 2019. The theme of the meeting was "Colloquium on funding of PSET sector".

## **4. THE ACCOUNTING AUTHORITY/COUNCIL**

### **Mandates and Objectives of the Council on Higher Education**

The CHE is established as a juristic person in terms of section 4 of the Higher Education Act (Act 101 of 1997), as amended, and as the Quality Council for Higher Education in terms of section 25 and 27 of the National Qualifications Act (Act 67 of 2008). In summary, the main areas of work of the CHE are:

- To provide advice to the Minister of Higher Education and Training on all higher education matters, at the Minister's request and at its own initiative;



- To develop and implement a system of quality assurance for all higher education institutions, including private providers of higher education, which includes programme accreditation, institutional audits, national reviews, and capacity development and quality promotion;
- To develop and manage the Higher Education Qualifications Sub-Framework (HEQSF) and the development of higher education qualifications;
- To monitor the state of the higher education system in relation to national policy goals and international trends;
- To contribute to the development of higher education through facilitating intellectual engagement on key issues in partnership with relevant stakeholders.

### **Roles and Responsibilities**

The CHE is a public entity listed under Schedule 3A of the Public Finance Management Act (PFMA) (Act 1 of 1999), as amended. In this regard, the Council fulfils the role of the Accounting Authority in terms of section 49 of the Public Finance Management Act (PFMA) (Act 1 of 1999), as amended.

As the Accounting Authority, the Council adheres to principles of good governance, financial and performance management and acts in a fiduciary capacity. Its responsibilities include:

- Effective, efficient and transparent systems of financial and risk management and internal control, internal audit and procurement;
- Effective and appropriate steps to collect revenue due; prevent irregular, fruitless and wasteful expenditure; prevent, losses from criminal conduct; and prevent expenditure as a result of non-compliance with operational policies;
- Management of the assets (including safeguarding), liabilities, revenue and expenditure of the CHE;
- Compliance with applicable legislation and regulations; and
- An effective and appropriate disciplinary system for failure to comply with the PFMA and the internal control system.

### **Council Charter**

The Charter of the CHE was not revised during the 2019/20 financial year, but it is still compliant with relevant legislation.

### **Governance Structure**

The Council comprises a Chairperson appointed for five (5) years and thirteen (13) ordinary Council members appointed by the Minister of Higher Education and Training for a period of





four (4) years following a public nomination process. Eight (8) non-voting members are appointed by the Minister from nominations respectively by the Director-General of the Department of Higher Education and Training, the Provincial Heads of Education, the Director-General of the Department of Science and Technology, the Director-General of the Department of Labour, the National Research Foundation and the Chief Executive Officers of the South African Qualifications Authority (SAQA), the General and Further Education and Training Quality Assurance Council (Umalusi) and the Quality Council for Trades and Occupations (QCTO), in their official capacities. Three members can be co-opted by the Council.

The members of Council are outlined below:

**Table 9: Composition of the Council from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Prof N. Themba Mosia</b>	Chairperson	July 2013  <b>Reappointed July 2017</b>		PhD	<ul style="list-style-type: none"> <li>Medical education</li> <li>Governance</li> <li>Quality assurance</li> <li>Management</li> <li>Leadership</li> </ul>		<ul style="list-style-type: none"> <li>EXCO</li> <li>NGC</li> </ul>	5 of 5	R 55 490
<b>Mr Luzuko Buku</b>	Member	December 2014  <b>Reappointed December 2018</b>		Master of Social Sciences	<ul style="list-style-type: none"> <li>Higher Education</li> <li>Media Management and Studies</li> <li>Public Relations</li> <li>Urban Studies</li> </ul>		<ul style="list-style-type: none"> <li>MRAC</li> <li>NGC</li> </ul>	5 of 5	R 43 170
<b>Mr Casper Kruger</b>	Member	December 2014  <b>Reappointed December 2018</b>		BEd Education Management	Technical, vocational education and training	<ul style="list-style-type: none"> <li>Trustee, Access Trust</li> <li>Board Member, SA Society of Co-operative Education (SASCE) representing the national South African College Principals Organisation</li> </ul>	HRRC	3 of 5	Not remunerated
<b>Prof Selby Ripinga</b>	Member	December 2014  <b>Reappointed December 2018</b>		D.Ed	<ul style="list-style-type: none"> <li>Leadership and Governance</li> <li>Teaching and Student Learning</li> <li>Academic Training and Development</li> </ul>	Managing Director – ThinkSuccess Pty Ltd	EXCO	5 of 5	R 43 170
<b>Prof Ratnamala Singh</b>	Member	December 2014  <b>Reappointed December 2018</b>		D.Phil	<ul style="list-style-type: none"> <li>International and Comparative Higher Education Policy</li> <li>Quality Assurance</li> <li>Higher Education and Society</li> <li>Science Policy</li> </ul>	None	None	4 of 5	R 34 536
<b>Prof Mvuyo Tom</b>	Member	December 2014  <b>Reappointed December</b>		M.Fam Med	<ul style="list-style-type: none"> <li>Strategic Leadership and Governance</li> <li>Public Policy Development and</li> </ul>	<ul style="list-style-type: none"> <li>Director – Nelson Mandela Institute</li> <li>Director – Fore Hare Trading</li> </ul>	NGC	5 of 5	R 43 170

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Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
		<b>2018</b>			Management	<ul style="list-style-type: none"> <li>Solutions Masibumbane Development Organisation</li> <li>Trustee – Fort Hare Foundation</li> <li>Trustee – Senzwa Family Trust</li> </ul>			
<b>Dr Siphokazi Moeng</b>	Member	October 2017 <b>Reappointed December 2018</b>		BA, HDE, BEd Hons (UPE), MSc (St Cloud State University), DEd (NMMU)	<ul style="list-style-type: none"> <li>Education</li> <li>Scholarship of Teaching and Learning (SoTL)</li> <li>Student Academic Development and Success</li> </ul>	None	<ul style="list-style-type: none"> <li>NGC</li> <li>EXCO</li> </ul>	4 of 5	R 34 536
<b>Prof Yusef Waghid</b>	Member	<b>December 2018</b>		<ul style="list-style-type: none"> <li>DPhil (Philosophy);</li> <li>PhD (Education Policy Studies) and</li> <li>DEd (Philosophy of Education)</li> </ul>	Higher Education		MRAC	4 of 5	R 34 536
<b>Advocate Nomazotsho Memani</b>	Member	<b>December 2018</b>		Master of Law	Law		<ul style="list-style-type: none"> <li>NGC</li> <li>EXCO</li> </ul>	5 of 5	R 43 170
<b>Ms Nita Lawton-Misra</b>	Member	<b>December 2018</b>		MEd Degree (Educational Psychology)	Governance		HRRC	5 of 5	R 43 170
<b>Prof Daniel van der Nest</b>	Member	<b>December 2018</b>		Doctor Technologiae	<ul style="list-style-type: none"> <li>Higher Education</li> <li>Governance</li> </ul>		ARC	5 of 5	R 43 170
<b>Prof Angina Parekh</b>	Member	<b>December 2018</b>		D. Phil (Psychology)	Higher Education		<ul style="list-style-type: none"> <li>HEQC</li> <li>HEQC EXCO</li> </ul>	3 of 5	R 25 902
<b>Prof Lesley Le Grange</b>	Member	<b>December 2018</b>		PhD	Higher Education		HEQC	5 of 5	R 43 170
<b>Dr Fulufhelo V. Nelwamondo</b>	Co-opted members appointed by the Council	<b>November 2019</b>		PhD in Electrical Engineering	Computational Intelligence	<ul style="list-style-type: none"> <li>Chairman: Ministerial Task Team on Department of International Relations and Cooperation's ICT review (2019)</li> <li>Ministerial Advisory Committee on Modernisation: Department of Home Affairs (2014-2019)</li> </ul>	None	1 of 1	R 8634
<b>Dr Vukosi Ntsakisi Marivate</b>	Co-opted members appointed by the Council	<b>November 2019</b>		PhD (Computer Science)	Reinforcement Learning Evaluation		None	1 of 1	R 8634
<b>Ms Koketjo Rebecca Magongoa</b>	Co-opted members appointed by the Council	<b>February 2020</b>		<ul style="list-style-type: none"> <li>Bachelor of Computer Applications (BCA)</li> <li>Post Graduate Diploma in Business Administration</li> </ul>	Information Security & Risk Management Specialist		ICTCoC	1 of 1	R 8634

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Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Non-voting members</b> Representing the following organizations:									
<b>Mr Sagren Govender</b>	Department of Labour	September 2015		MBA	Public Employment Services	None	None	3 of 5	Not remunerated
<b>Prof Narend Bajinath</b>	CHE	n/a		PhD	<ul style="list-style-type: none"> <li>Higher Education policy, planning and development</li> <li>Quality Assurance</li> <li>Higher Education leadership</li> <li>Internationalisation</li> <li>Business intelligence</li> <li>Organisational architecture</li> <li>ICTs in higher education</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth of Learning Board and Audit Committee</li> <li>HAQAA Advisory Board</li> <li>SAQA</li> <li>UMALUSI</li> <li>QCTO</li> <li>ASSAf [member]</li> </ul>	All internal Governance Committees by virtue of his position	4 of 5	Not remunerated
<b>Mr Vijayen Naidoo</b>	QCTO	n/a		B.Paed Sc; B. Ed (Education Management)	Education, Training and Development, TVET and Assessment	<ul style="list-style-type: none"> <li>SAQA</li> <li>Umalusi</li> <li>CHE</li> <li>NSA</li> </ul>	None	2 of 5	Not remunerated
<b>Mr Joe Samuels</b>	SAQA	n/a	Resigned in December 2019	MPhil	<ul style="list-style-type: none"> <li>Adult education</li> <li>Continuing education policy</li> <li>Qualifications</li> <li>Quality assurance</li> </ul>	<ul style="list-style-type: none"> <li>SAQA</li> <li>QCTO</li> <li>Umalusi</li> </ul>	ARC	2 of 4	Not remunerated
<b>Dr Julie Reddy</b>	SAQA	Acting CEO of SAQA (from January 2020)			•	•	None	1 of 1	Not remunerated
<b>Dr Diane Parker</b>	DHET	n/a		PhD	<ul style="list-style-type: none"> <li>Teacher education</li> <li>Higher education</li> <li>Mathematics education</li> </ul>	Peta Source cc (50% partnership)	<ul style="list-style-type: none"> <li>EXCO</li> <li>HEQC</li> </ul>	2 of 5	Not remunerated
<b>Dr Mafu Rakometsi</b>	Umalusi	n/a		PhD	General and further education and training – curriculum and examinations	<ul style="list-style-type: none"> <li>Umalusi Council</li> <li>SAQA</li> <li>QCTO</li> <li>Helderberg College Council</li> </ul>	Monitoring and Evaluation Committee	3 of 5	Not remunerated
<b>Dr Molapo Qhobela</b>	NRF	n/a		PhD	<ul style="list-style-type: none"> <li>Higher education</li> <li>Governance</li> <li>Planning</li> </ul>	<ul style="list-style-type: none"> <li>Trustee – Cradle of Human Kind</li> <li>Director – South African Actuaries Development Programme</li> <li>Trustee – UNISA Foundation</li> </ul>	HRRC	4 of 5	Not remunerated

## Committees and Sub-Committees

### Permanent Committee

The Council has one (1) permanent committee, the Higher Education Quality Committee (HEQC) established in terms of Section 7(3) of the Higher Education Act. The HEQC has executive responsibility in terms of Section 5(1) (c) of the Higher Education Act and the NQF Act for quality promotion and quality assurance in higher education, specifically to:

- promote quality in higher education
- audit the quality assurance mechanisms of higher education institutions
- accredit programmes of higher education.

**Table 10: Composition of the Higher Education Quality Committee from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
Prof Angina Parekh	Chairperson (from 13 February 2019)	1 April 2018		D. Phil (Psychology)	Higher Education		<ul style="list-style-type: none"> <li>Council HEQC EXCO</li> </ul>	6 of 6	R 66 588
Prof Robert John Balfour	Member	1 April 2018		PhD	Higher Education		NSRC	5 of 6	R 43 170
Prof Nicolaas Johannes (Niek) Grové	Member	1 April 2018		LLD	Contract Law and Consumer Credit Law		Accreditation Committee	5 of 6	R 43 170
Prof Wendy Kilfoil	Member	July 2015 Reappointed 1 April 2018		D. Litt. et Phil.	Teaching, learning, assessment, staff development, quality assurance	Teaching and Learning Strategy Group, USAf	None	5 of 6	R 43 170
Dr Penny Law	Member	August 2016 Reappointed 1 April 2018		PhD	Leadership	Regenesys Management, Regenesys Foundation, MyWealth, Dananda Talent	None	6 of 6	R 51 804
Dr Caroline Selepe	Member	July 2015 Reappointed 1 April 2018		PhD	<ul style="list-style-type: none"> <li>Science Education,</li> <li>Quality Assurance in Higher Education,</li> <li>Curriculum Development,</li> <li>Academic Development</li> </ul>	QCTO Quality Assurance Committee member	Accreditation Committee	3 of 6	R 25 902
Prof Lesley Lionel Leonard Le Grange	Member	1 April 2018		PhD	Higher Education		Council	5 of 6	R 43 170
Dr Jeffrey Mabelebele	Member	1 April 2018		Doctor of Philosophy	Governance		Institutional Audit Committee	5 of 6	R 43 170
Prof Mogege Mosimege	Member	16 August 2018		PhD (Mathematics Education)	Higher Education		None	5 of 6	R 43 170
Prof Patrick Ngulube	Member	1 April 2018		PhD	Archival science, knowledge and information science, records management, research methods in social science, preservation		None	2 of 6	R 17 268
Dr Manyane Makua	Member	13 February 2019		Doctor of Philosophy	Higher Education		None	4 of 6	R 34 536

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Prof Dherendra Gihwala</b>	Member	13 February 2019		Doctor of Philosophy	Higher Education		None	5 of 6	R 43 170
<b>Prof Lynn Quinn</b>	Member	13 February 2019		PhD	Higher education and academic development		None	4 of 6	R 34 536
<b>Dr Diane Parker</b> DDG (DHET)	Ex-officio member	n/a		PhD	<ul style="list-style-type: none"> <li>Teacher education</li> <li>Higher education</li> <li>Mathematics education</li> </ul>	Peta Source cc (50% partnership)	EXCO Council	1 of 6	Not remunerated
<b>Dr Eva Sujee</b> Senior Manager (Umalusi)	Ex-officio member	n/a		<ul style="list-style-type: none"> <li>PhD</li> <li>MBA</li> <li>B. Ed</li> <li>BA</li> <li>HDE IV</li> </ul>	Quality assurance of qualifications, curriculum and certification		None	4 of 6	Not remunerated
<b>Prof Narend Bajinath</b> CEO (CHE)	Ex-officio member	n/a		PhD	<ul style="list-style-type: none"> <li>Higher Education policy, planning and development</li> <li>Quality Assurance</li> <li>Higher Education leadership</li> <li>Internationalisation</li> <li>Business intelligence</li> <li>Organizational architecture</li> <li>ICTs in higher education</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth of Learning Board and EXCO</li> <li>HAQAA Advisory Board</li> <li>SAQA</li> <li>UMALUSI</li> <li>QCTO</li> <li>ASSAf [member]</li> </ul>	All internal Governance Committees by virtue of his position	6 of 6	Not remunerated

### Sub-committees

The Council has six (6) standing committees, namely:

- Executive Committee (EXCO) established in terms of Section 13 of the Higher Education Act;
- Audit and Risk Committee (ARC);
- Human Resources and Remuneration Committee (HRRC);
- Monitoring, Research and Advice Committee (MRAC);
- Information and Communication Technology Committee of Council (ICTCoC); and
- Nominations and Governance Committee (NGC)

The members of standing-committees are appointed for their specific knowledge and skills relating to the work of the standing-committees.

The Council and its standing committees, including its permanent committee responsible for quality assurance, the HEQC, have functioned effectively in terms of the CHE's statutory mandate and adherence to principles of good governance.



**Table 11: Composition of the Executive Committee from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Prof Themba Mosia</b>	Chairperson	July 2013 <b>Reappointed July 2017</b>		PhD	<ul style="list-style-type: none"> <li>Medical education</li> <li>Governance</li> <li>Quality assurance</li> <li>Management</li> <li>Leadership</li> </ul>		<ul style="list-style-type: none"> <li>Council NGC</li> </ul>	5 of 5	R 55 490
<b>Prof Selby Ripinga</b>	Member	December 2014 <b>Reappointed December 2018</b>		D.Ed	<ul style="list-style-type: none"> <li>Leadership and Governance</li> <li>Teaching and Student Learning</li> <li>Academic Training and Development</li> </ul>	Managing Director – ThinkSuccess Pty Ltd	Council	4 of 5	R 34 536
<b>Dr Siphokazi Moeng</b>	Member	<b>1 February 2019</b>		BA, HDE, BED Hons (UPE), MSc (St Cloud State University), DEd (NMMU)	<ul style="list-style-type: none"> <li>Education</li> <li>Scholarship of Teaching and Learning (SoTL)</li> <li>Student Academic Development and Success</li> </ul>	None	<ul style="list-style-type: none"> <li>Council NGC</li> </ul>	2 of 5	R 17 268
<b>Advocate Nomazotsho Memani</b>	Member	<b>1 February 2019</b>		Masters of Law	Law		<ul style="list-style-type: none"> <li>Council NGC</li> </ul>	5 of 5	R 43 170
<b>Dr Diane Parker</b>	Member (DHET)	<b>Ex-officio</b>		PhD	<ul style="list-style-type: none"> <li>Teacher education</li> <li>Higher education</li> <li>Mathematics education</li> </ul>	Peta Source cc (50% partnership)	<ul style="list-style-type: none"> <li>Council HEQC</li> </ul>	2 of 5	Not remunerated

**Table 12: Composition of the Audit and Risk Committee from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Prof Quintus Vorster</b>	Chairperson	May 2014 <b>Reappointed 1 May 2017</b>		<ul style="list-style-type: none"> <li>PhD (in Accounting)</li> <li>Chartered Accountant</li> </ul>	Accounting Finance Management	Lemas Financial Services	Audit Committee (Lemas Financial Services)	5 of 5	R43 170
<b>Mr Malson Chilenge</b>	Member	April 2013 <b>Reappointed March 2016</b>	Second term of office ended on <b>23 April 2019</b>	<ul style="list-style-type: none"> <li>Hons B Compt</li> <li>Chartered Accountant</li> </ul>	Auditing and Finance		None	0 of 1	R 0
<b>Mr Mahommed Gani</b>	Member	April 2016 <b>Reappointed 1 April 2019</b>		<ul style="list-style-type: none"> <li>Hons B Compt</li> <li>Chartered Accountant</li> </ul>		<ul style="list-style-type: none"> <li>Non-Executive Director on the Board of Dis-Chem Pharmacies Limited</li> <li>Non-Executive Director on the Board of Wits Health Consortium (Pty) Ltd</li> </ul>	None	5 of 5	R 26 190

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Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Ms Vuyo Memani-Sedile</b>	Member	May 2014  <b>Reappointed 1 May 2017</b>		<ul style="list-style-type: none"> <li>Honours BCompt</li> <li>MBA</li> </ul>	Finance	<ul style="list-style-type: none"> <li>Director of CANSA</li> <li>Director of Tumelong (NPO)</li> <li>Director of Diocese of Pretoria Property Company (NPO)</li> <li>Director of Sedile Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>Trustee of Vista Early Retirement Trust</li> <li>CANSA Audit Committee</li> <li>CANSA Investment Committee</li> <li>Trustee RDL Pension Fund</li> <li>ICTCoC</li> </ul>	5 of 5	R 26 190
<b>Prof Daniel van der Nest</b>	Member	<b>13 February 2019</b>		Doctor Technologiae	<ul style="list-style-type: none"> <li>Higher Education</li> <li>Governance</li> </ul>		Council	3 of 5	R 15 714
<b>Ms Xabisa A Dyosi</b>	Member	<b>14 November 2019</b>		<ul style="list-style-type: none"> <li>BCom Hons (Accounting Sciences)</li> <li>Postgraduate Diploma in Integrated Reporting</li> <li>Management Advancement Programme</li> </ul>	Auditing and Finance		None	1 of 1	R 5 238

**Table 13: Composition of the Human Resources and Remuneration Committee from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Dr Molapo Qhobela</b>	Chairperson	<b>Ex-officio member of Council</b>  CEO of the NRF		PhD	<ul style="list-style-type: none"> <li>Higher Education</li> <li>Governance</li> <li>Planning</li> </ul>	<ul style="list-style-type: none"> <li>Trustee – Cradle of Human Kind</li> <li>Director – South African Actuaries Development Programme</li> <li>Trustee – UNISA Foundation</li> </ul>	Council	2 of 2	Not remunerated
<b>Ms Tina Georgoulakis</b>	Member	August 2012  Extended from March 2015 to August 2016  <b>Reappointed 1 September 2016</b>	Second term of office ended on <b>31 August 2019</b>	Honours: Bachelor of Education, Global Remuneration Practitioner (WorldAtWork) Master Reward Specialist (South African Reward Association)	Remuneration Consulting	None	None	1 of 2	R 5 238
<b>Mr Casper Kruger</b>	Member	April 2015  <b>Reappointed 13 February 2019</b>		BEd Education Management	Technical, vocational education and training	<ul style="list-style-type: none"> <li>Trustee, Access Trust</li> <li>Board Member, SA Society of Co-operative Education (SASCE) representing the national South African College Principals Organisation</li> </ul>	Council	2 of 2	Not remunerated

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Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Ms Mpho Letlape</b>	Member	October 2016  <b>Reappointed 14 November 2019</b>		B. Sc. Computer Science and Psychology	Human Resources Strategy Operations	<ul style="list-style-type: none"> <li>Lethushane PTY LTD</li> <li>T Systems South Africa</li> <li>Standard Bank Tutuwa Community Foundation</li> <li>Tower Group Recruitment</li> <li>Sapphire Logistics</li> </ul>	None	2 of 2	R 10 476
<b>Ms Nita Lawton-Misra</b>	Member	<b>13 February 2019</b>		MEd Degree (Educational Psychology)	Governance		Council	2 of 2	R 10 476
<b>Ms Yolanda Sedlmaier</b>	Member	<b>24 February 2020</b>		B Com (Personnel Management)	Human Resources and Remuneration		None	0 of 0	R 0
<b>Prof Narend Bajinath</b>	Ex-officio member	n/a		PhD	<ul style="list-style-type: none"> <li>Higher Education policy, planning and development</li> <li>Quality Assurance</li> <li>Higher Education leadership</li> <li>Internationalisation</li> <li>Business intelligence</li> <li>Organizational architecture</li> <li>ICTs in higher education</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth of Learning Board and Audit Committee</li> <li>HAQAA Advisory Board</li> <li>SAQA</li> <li>UMALUSI</li> <li>QCTO</li> <li>ASSAf [member]</li> </ul>		2 of 2	Not remunerated
<b>Ms Vuyo Matsam</b>	Ex-officio member  Director: Corporate Services (CHE)	n/a		<ul style="list-style-type: none"> <li>B.Com.</li> <li>PG Diploma (HR)</li> <li>B. Tech (Business Administration)</li> </ul>	Human Resources			2 of 2	Not remunerated

**Table 14: Composition of the Monitoring, Research and Advice Committee from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Mr Luzuko Buku</b>	Chairperson	April 2015  <b>Reappointed December 2018</b>		Master of Social Sciences	<ul style="list-style-type: none"> <li>Higher Education</li> <li>Media Management and Studies</li> <li>Public Relations</li> <li>Urban Studies</li> </ul>		<ul style="list-style-type: none"> <li>Council</li> <li>NGC</li> </ul>	1 of 1	R 8 634
<b>Prof Yusef Waghid</b>	Member	<b>December 2018</b>		<ul style="list-style-type: none"> <li>DPhil (Philosophy);</li> <li>PhD (Education Policy Studies) and</li> <li>DEd (Philosophy of Education)</li> </ul>	Higher Education		Council	1 of 1	R 8 634



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Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned / Term of office end date	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Dr Mafu Rakometsi</b>	Member	<b>Ex-officio member of Council</b> CEO (Umalusi)		PhD	General and further education and training – curriculum and examinations	<ul style="list-style-type: none"> <li>Umalusi Council</li> <li>SAQA</li> <li>QCTO</li> <li>Helderberg College Council</li> </ul>	Council	0 of 0	Not remunerated
<b>Prof Narend Baijnath</b>	Ex-officio member	n/a		PhD	<ul style="list-style-type: none"> <li>Higher Education policy, planning and development</li> <li>Quality Assurance</li> <li>Higher Education leadership</li> <li>Internationalisation</li> <li>Business intelligence</li> <li>Organizational architecture</li> <li>ICTs in higher education</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth of Learning Board and Audit Committee</li> <li>HAQAA Advisory Board</li> <li>SAQA</li> <li>UMALUSI</li> <li>QCTO</li> <li>ASSAf [member]</li> </ul>		1 of 1	Not remunerated

**Table 15: Composition of the Nominations and Governance Committee from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned	Qualifications	Area of Expertise	Board Directorships (List entities)	Other Committees or Task Teams (e.g: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Prof Themba Mosia</b>	Chairperson	July 2013 <b>Reappointed July 2017</b>		PhD	<ul style="list-style-type: none"> <li>Medical education</li> <li>Governance</li> <li>Quality assurance</li> <li>Management</li> <li>Leadership</li> </ul>		<ul style="list-style-type: none"> <li>Council EXCO</li> </ul>	2 of 2	R 22 196
<b>Dr Siphokazi Moeng</b>	Member	<b>1 February 2019</b>		BA, HDE, BEd Hons (UPE), MSc (St Cloud State University), DEd (NMMU)	<ul style="list-style-type: none"> <li>Education</li> <li>Scholarship of Teaching and Learning (SoTL)</li> <li>Student Academic Development and Success</li> </ul>	None	<ul style="list-style-type: none"> <li>Council EXCO</li> </ul>	2 of 2	R 17 268
<b>Advocate Nomazotsho Memani</b>	Member	<b>1 February 2019</b>		Masters of Law	Law		<ul style="list-style-type: none"> <li>Council EXCO</li> </ul>	2 of 2	R 17 268
<b>Prof Mvuyo Tom</b>	Member	<b>1 February 2019</b>		M.Fam Med	<ul style="list-style-type: none"> <li>Strategic Leadership and Governance</li> <li>Public Policy Development and Management</li> </ul>	<ul style="list-style-type: none"> <li>Director – Nelson Mandela Institute</li> <li>Director – Fore Hare Trading Solutions</li> <li>Masibumbane Development Organisation</li> <li>Trustee – Fort Hare Foundation</li> <li>Trustee – Senzwa Family Trust</li> </ul>	Council	1 of 2	R 8 634
<b>Mr Luzuko Buku</b>	Member	<b>1 February 2019</b>		Master of Social Sciences	<ul style="list-style-type: none"> <li>Higher Education</li> <li>Media Management and Studies</li> </ul>		<ul style="list-style-type: none"> <li>Council MRAC</li> </ul>	2 of 2	R 17 268

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Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
					<ul style="list-style-type: none"> <li>Public Relations</li> <li>Urban Studies</li> </ul>				
<b>Prof Narend Bajinath</b>	Ex-officio member CEO (CHE)	n/a		PhD	<ul style="list-style-type: none"> <li>Higher Education policy, planning and development</li> <li>Quality Assurance</li> <li>Higher Education leadership</li> <li>Internationalisation</li> <li>Business intelligence</li> <li>Organizational architecture</li> <li>ICTs in higher education</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth of Learning Board and Audit Committee</li> <li>HAQAA Advisory Board</li> <li>SAQA</li> <li>UMALUSI</li> <li>QCTO</li> <li>ASSAf [member]</li> </ul>		2 of 2	Not remunerated

**Table 16: Composition of the Information and Communication Technology Committee of Council from 1 April 2019 to 31 March 2020**

Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Mr Thagaran Govender</b>	Chairperson	14 November 2019		<ul style="list-style-type: none"> <li>Bachelor of Science in Computer Engineering</li> <li>Associate Degree in Electronic Engineering</li> <li>MDP, MAP</li> <li>International Executive Development Program (IEDP)</li> </ul>	<ul style="list-style-type: none"> <li>ICT Strategy Leadership, Development and management</li> <li>ICT Governance, Controls and remediation</li> </ul>		None	2 of 2	R 0 (Decided not to be remunerated)
<b>Mr Glen Barnes</b>	Member	14 November 2019		MSc. Agric. (Grassland Science)	Management of Information & Analysis	CEO: IDSC	None	1 of 1	R 5 328
<b>Ms Vuyo Memani-Sedile</b>	Member	May 2014 Reappointed 1 May 2017		<ul style="list-style-type: none"> <li>Honours BComp</li> <li>MBA</li> </ul>	Finance	<ul style="list-style-type: none"> <li>Director of CANSA</li> <li>Director of Tumelong (NPO)</li> <li>Director of Diocese of Pretoria Property Company (NPO)</li> <li>Director of Sedile Enterprise</li> </ul>	<ul style="list-style-type: none"> <li>Trustee of Vista Early Retirement Trust</li> <li>CANSA Audit Committee</li> <li>CANSA Investment Committee</li> <li>Trustee RDL Pension Fund</li> <li>ICTCoC</li> </ul>	1 of 1	R5 328
<b>Mr Simon Motlatsi Maluleka</b>	Member	14 November 2019		Masters: Business Information Systems	Software Development		None	1 of 1	Not remunerated
<b>Ms Koketjo Rebecca Magongoa</b>	Member	24 February 2020		<ul style="list-style-type: none"> <li>Bachelor of Computer Applications (BCA)</li> <li>Post Graduate Diploma in Business Administration</li> </ul>	Information Security & Risk Management Specialist		Council	0 of 0	R 0

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Name	Designation (in terms of the Public Entity Board structure)	Appointed in own right	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee/ Ministerial task team)	No. of Council Meetings attended	Remuneration
<b>Prof Narend Baijnath</b>	Ex-officio member CEO (CHE)	n/a		PhD	<ul style="list-style-type: none"> <li>Higher Education policy, planning and development</li> <li>Quality Assurance</li> <li>Higher Education leadership</li> <li>Internationalisation</li> <li>Business intelligence</li> <li>Organizational architecture</li> <li>ICTs in higher education</li> </ul>	<ul style="list-style-type: none"> <li>Commonwealth of Learning Board and Audit Committee</li> <li>HAQAA Advisory Board</li> <li>SAQA</li> <li>UMALUSI</li> <li>QCTO</li> <li>ASSAf [member]</li> </ul>		1 of 1	Not remunerated
<b>Ms Vuyo Matsam</b>	Ex-officio member Director: Corporate Services (CHE)	n/a		<ul style="list-style-type: none"> <li>B.Com.</li> <li>PG Diploma (HR)</li> <li>B. Tech (Business Administration)</li> </ul>	Human Resources			1 of 1	Not remunerated
<b>Mr Thulaganyo Mothusi</b>	Ex-officio member Chief Financial Officer (CHE)	n/a		<ul style="list-style-type: none"> <li>B. Com.</li> <li>B. Com (Honours),</li> <li>MBA and</li> <li>M Com.</li> </ul>	Finance and SCM and Risk Management	Professional member of the South African Institute of Professional Accountants (SAIPA)		0 of 1	Not remunerated

**Remuneration of board members**

Members of Council and its permanent and sub-committees who are not CHE employees or government officials qualify for daily allowances for services rendered to the CHE in accordance with the Treasury Regulations and Directives.

**5. RISK MANAGEMENT**

The CHE has reviewed its risk profile during the course of the year to consider the extent to which potential events may have an impact on the achievement of the organisation's objectives. Emerging events were assessed from two perspectives – likelihood and impact – and a number of risks, predominantly on a strategic level, were identified, weighed, and managed.

**6. AUDITORS**

As required by the PFMA, the external auditor of the CHE is the Auditor-General of South Africa.

**7. INTERNAL AUDIT AND THE AUDIT AND RISK COMMITTEE (ARC)**

Internal Audit Services have been outsourced for a period of 3 years ending 2020 as the

Council does not consider it economically feasible to establish an in-house internal audit function due to the nature and size of the CHE. However, the ARC is responsible for monitoring the internal audit function and for evaluating the effectiveness of the internal controls in place, including recommending improvements to Council where appropriate. The Committee is satisfied that the key risks have been identified and assessed, and have received adequate attention. In compliance with the PFMA, the internal audit plans for 2019/20 financial year were risk-based and fully implemented.

Table 12 above disclosed relevant information on the Audit and Risk Committee members.

## **8. COMPLIANCE WITH LAWS AND REGULATIONS**

The ARC is responsible for monitoring compliance with applicable laws and regulations regarding financial matters, management, and other related matters.

## **9. FRAUD AND CORRUPTION**

The CHE has policies in place on fraud prevention, detection and reporting.

No fraud was reported during this financial year.

## **10. MINIMISING CONFLICT OF INTEREST**

Council and sub-committee members are required to declare any conflict of interest for the record at the beginning of each Council or sub-committee meeting.

## **11. CODE OF CONDUCT**

There is a code of conduct in place for the members of Council, the HEQC and all sub-committees.

## **12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

The CHE regards the health and safety of its employees and people affected by the organisation's operations to be of vital importance. The CHE's primary objective is therefore to achieve and maintain the highest practicable level of health and safety control.

In line with this and in fulfilment of the requirements stipulated in the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), the CHE has established a Health and Safety



Committee that monitors the health and safety of employees in the work environment and identifies potential health and safety threats that require addressing.

The CHE is also cognisant of the need to ensure that the work environment is environmentally sustainable. In this regard, efforts have been made to ensure that lights and other appliances are switched off appropriately at the end of the working day, printing minimised, and paper is recycled.

### **13. SOCIAL RESPONSIBILITY**

In 2019/20, the CHE did not participate in community outreach programmes.

### **14. AUDIT AND RISK COMMITTEE REPORT**

We are pleased to present our report for the financial year ended 31 March 2020. See pages 106 to 107, in Part E, for the full report.



## PART D: HUMAN RESOURCES MANAGEMENT

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## 1. INTRODUCTION

For an overview of the human resources section please see pages 54 to 61 (Part B).

## 2. HUMAN RESOURCES OVERSIGHT STATISTICS

**Table 17: Personnel Cost by programme**

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration and Support	37 190	18 526	50%	22	842
Institutional Quality Assurance	22 066	11 725	53%	17	690
Research, Monitoring and Advice	4 861	2 138	44%	4	535
Qualifications Management and Programme Reviews	4 357	3 747	86%	4	937
<b>TOTAL</b>	<b>68 474</b>	<b>36 136</b>	<b>53%</b>	<b>47</b>	<b>769</b>

\* Administration & Support refers to Corporate Services, Chief Executive Officer's office and Quality Promotion and Capacity Development

\* The number of employees (47) includes fixed term contracts positions (4) and interns (2) which are not on the organisational structure (41) positions from organisational structure, (4) from fixed term contracts and 2 Interns)

**Table 18: Personnel cost by salary band**

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 133	6%	1	2133
Senior Management	8 096	22%	6	1349
Professional qualified	11 768	33%	14	841
Skilled	11 354	31%	15	757
Semi-skilled	2 382	7%	9	265
Unskilled	403	1%	2	202
<b>TOTAL</b>	<b>36 136</b>	<b>100%</b>	<b>47</b>	<b>769</b>

**Table 19: Performance Rewards**

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost
Top Management	80	2 133	4%
Senior Management	323	8 096	4%
Professional qualified	297	11 768	3%
Skilled	331	11 354	3%
Semi-skilled	44	2 382	2%
Unskilled	26	403	6%
<b>TOTAL</b>	<b>1 101</b>	<b>36 136</b>	<b>3%</b>

**Table 20: Training Costs**

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee (R'000)
Administration and Support	18 526	149	0.80	25	5.960
Institutional Quality Assurance	11 725	28	0.23	16	1.750
Research, Monitoring and Advice	2 138	17	0.80	3	5.667
Qualifications Management and Programme Reviews	3 747	17	0.45	4	4.250
<b>TOTAL</b>	<b>36 136</b>	<b>211</b>	<b>0.58</b>	<b>48</b>	<b>4.396</b>

\* Training includes fixed term contract employees and interns where internal training(s) were held. Training stats however do not include IQAF Project.

**Table 21: Employment and vacancies (per programme)**

Programme/activity/objective	2018/2019 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Administration and Support	21	22	20	2	5%
Institutional Quality Assurance	14	18	14	4	8%
Research, Monitoring and Advice	3	7	3	4	8%
Qualifications Management and Programme Reviews	4	5	4	1	2%
<b>TOTAL</b>	<b>42</b>	<b>52</b>	<b>41</b>	<b>11</b>	<b>21%</b>

**Table 22: Employment and vacancies (per category)**

Category	2018/2019 No. of Employees	2019/2020 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	5	7	6	1	2%
Professional qualified	12	15	12	5	10%
Skilled	17	21	15	3	8%
Semi-skilled	5	6	5	2	4%
Unskilled	2	2	2	0	0%
<b>Total</b>	<b>42</b>	<b>52</b>	<b>41</b>	<b>11</b>	<b>21%</b>

**Table 23: Employment changes**

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	5	1	0	6
Professional qualified	14	0	2	12
Skilled	16	1	1	15
Semi-skilled	5	0	0	5
Unskilled	2	0	0	2
<b>Total</b>	<b>43</b>	<b>2</b>	<b>3</b>	<b>41</b>

\*Second column: Appointments made in the first month of the period under review, e.g. April; are included in the number of people employed at the beginning of the period – April 2019.

\*Third column: All appointments made in the period April 2019 - March 2020 are shown.



**Table 24: Reasons for staff leaving**

Reason	Number	% of total no. of staff leaving
Death	1	2%
Resignation	2	5%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
<b>Total</b>	<b>3</b>	<b>7%</b>

\* The number of filled positions in the organisation is 41 (excluding 4 fixed term contracts and 2 Interns)

**Table 25: Labour Relations: Misconduct and disciplinary action**

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0

**Table 26: Equity Target and Employment Equity Status (Male)**

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	1	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Professional qualified	6	0	0	0	0	0	0	1
Skilled	5	0	1	1	0	0	0	0
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>14</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>

**Table 27: Equity Target and Employment Equity Status (Female)**

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	1	0	1	0
Professional qualified	3	0	1	0	0	0	2	0
Skilled	9	0	0	0	0	0	1	0
Semi-skilled	3	0	0	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>19</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>0</b>

**Table 28: Equity Target and Employment Equity Status (Staff members with disabilities)**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>TOTAL</b>	0	0	0	0



## **PART E: FINANCIAL INFORMATION**

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## 1. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE COUNCIL ON HIGHER EDUCATION

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Council on Higher Education set out on pages 110 to 138, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council on Higher Education as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

#### Under spending of the budget

7. As disclosed in the statement of comparison of budget and actual amounts, the public entity materially underspent on the budget by R10 226 730.

#### Responsibilities of the Accounting Authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material



misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor-general's responsibilities for the audit of the financial statements**

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

#### **Report on the audit of the annual performance report**

##### **Introduction and scope**

12. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators / measures included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the public entity for the year ended 31 March 2020:

Strategic Goal Objective	Pages in the annual performance report
--------------------------	--

Programme 1 - Institutional Quality Assurance	67 to 68
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15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:
- Programme 1 - Institutional Quality Assurance

#### Other matter

17. I draw attention to the matter below.

#### Achievement of planned targets

18. Refer to the annual performance report on pages 67 to 74 for information on the achievement of planned targets for the year explanations provided for the under-/overachievement of a number of targets.

### Report on the audit of compliance with legislation

#### Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

#### Other information

21. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported in this auditor's report
22. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
23. In connection with my audit, my responsibility is to read the other information and, in



doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

#### Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

26. The significant deficiencies in internal control are described below:

##### Leadership

##### Oversight responsibility

The entity did not have sufficient monitoring controls to ensure the proper implementation of the overall process of budgeting. It was noted that the entity had surplus funds for the past two financial years.

Auditor-General

*Auditor-General*

Pretoria  
30 September 2020



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## **COUNCIL ON HIGHER EDUCATION**

Annual Financial Statements for the year ended 31 March 2020

### **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected strategic objectives and on the public entity's compliance with respect to the selected subject matters.

#### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit 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 [type of auditee]'s internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
  - Conclude on the appropriateness of the accounting authority public entity's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Council on Higher Education to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### **Communication with those charged with governance**

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.





## **COUNCIL ON HIGHER EDUCATION**

Annual Financial Statements for the year ended 31 March 2020

## **2. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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### **Index**

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Statement of Financial Performance	8
Statement of Changes in Net Assets	9
Cash Flow Statement	10
Statement of Comparison of Budget and Actual Amounts	11 - 12
Accounting Policies	13 - 20
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## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Statement of Responsibility

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The Council is required to maintain adequate accounting records and is responsible for the content and integrity of the audited financial statements and related financial information included in this report. It is the responsibility of the Council to ensure that the audited financial statements fairly present the state of affairs of the Council on Higher Education (CHE) for the financial year ending on 31<sup>st</sup> of March 2020 and the results of its operations and cash flows for the period then ended. In terms of its external audit function, the Auditor General South Africa (AGSA) will be engaged to express an independent opinion on the annual financial statements and were, for this purpose, given unrestricted access to all financial records and related data.

The audited financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The audited financial statements are based upon appropriate accounting policies and prescripts consistently applied and supported by reasonable and prudent judgments and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the CHE and places considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of errors or a deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the CHE and all employees are required to maintain the highest ethical standards in ensuring the CHE's business is conducted in a manner that under all reasonable circumstances are beyond reproach. The focus of risk management in the CHE is on identifying, assessing, managing and monitoring all known forms of risk across the CHE. While operating risk cannot be fully eliminated, the CHE endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and standards of ethical behaviour are applied and managed by predetermined procedures and restraints.

The Council is of the opinion, based on the information and explanations given by management in response to the internal and external audit reports, that the system of financial internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the year-end financial statements. Where deficiencies were noted, the controls are being strengthened. However, it should be noted that any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The CHE is financially dependent on a transfer of payment from the Department of Higher Education and Training for the continued funding of its operations. The audited financial statements are prepared on the basis that the CHE is a going concern and that the Department of Higher Education and Training will transfer the payment as listed in the Estimates of National Expenditure (ENE) to the CHE.

The Council is satisfied that outer years budget is sufficient to realise the set strategic objectives and targets as per the Strategic Plan and Annual Performance Plan based on the budget baseline injection.

The Council is primarily responsible for how the financial affairs of the CHE are governed and overseen.

The external auditors are responsible for independently reviewing and reporting on the CHE's annual financial statements. The audited annual financial statements will be audited by the AGSA.

The audited annual financial statements which are set out on pages 110 to 138, have been prepared on the basis that the CHE is a going concern, were approved by the Executive Committee of Council (EXCO) on the 30<sup>th</sup> of September 2020 and were signed on its behalf by:



**Prof N Themba Mosia**  
Chairperson



**Prof Narend Bajinath**  
Chief Executive Officer



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statement for the year ended 31 March 2020

### Audit and Risk Committee Report

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We are pleased to present our report for the financial year ended 31<sup>st</sup> March 2020.

#### Audit and Risk Committee members and attendance

The Audit and Risk Committee (the Committee) consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference. During the year under review, five meetings were held.

Name of member	Number of meetings attended
Prof. Q. Vorster (Chairperson)	5 of 5
Mr. M. Chilenge	0 of 1 (second term terminated on 23 April 2019)
Mr. M. Gani	5 of 5
Ms. V. Memani-Sedile	5 of 5
Prof. D. P. Van der Nest	3 of 5
Ms. Xabisa A Dyosi	1 of 1 (appointed on 14 November 2019)

#### Audit and Risk Committee responsibility

The Audit and Risk Committee reports that it has complied with its obligations and responsibilities arising from section 55(1)(a) of the PFMA and Treasury Regulations section 27.1.8 and 27.1.10.

The Committee also reports that it has adopted formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The Audit and Risk Committee charter has been reviewed to ensure its relevance and alignment as required by Treasury Regulation 3.1.8.

#### The effectiveness of internal control

The system of control is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King IV Report on Corporate Governance requirements, the Committee provided oversight over the combined assurance process within the Council and is satisfied that optimal effort and coordination exists between all assurance providers. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. A risk assessment workshop was conducted during the year with the aim of reviewing the Council's risk profile and this formed the basis of developing the rolling three-year plan (internal Audit Plans) and the annual internal audit operational plan.

The system of internal control was deemed effective. As part of its oversight role in IT governance, the Audit and Risk Committee reviewed the IT strategy of the Council during the year.

#### Internal Audit

Internal Audit Services have been outsourced for a period of 3 years ending 2020. The Committee is satisfied that the key risks have been identified and assessed and have received adequate attention. In compliance with the PFMA, the internal audit plans for the 2020 financial year were risk-based and fully implemented.

#### External Audit

The committee agreed to the audit plan and audit fee for the 2020 financial year. The fee is considered commensurate with the work and services rendered by Auditor General South Africa (AGSA). The AGSA has remained independent through the financial year. The Committee satisfied itself of the AGSA's continued objectivity and competence.

#### Monthly and Quarterly reports submitted in terms of the Act

The Committee is satisfied with the content and quality of the monthly and quarterly reports prepared and issued by the Council during the year under review.

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## **COUNCIL ON HIGHER EDUCATION**

Annual Financial Statements for the year ended 31 March 2020

### **Audit and Risk Committee Report Continued**

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#### **Evaluation of audited annual financial statements**

The Committee has:

- reviewed and discussed with the AGSA and the Accounting Authority the audited Annual financial statements to be included in the annual report; and
- reviewed the AGSA's management report and management response thereto.

The Committee concurs with and accepts the conclusions of the AGSA on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted together with the report of the AGSA.

#### **The transfer of payment**

The CHE is financially dependent on a transfer of payment from the Department of Higher Education and Training. On the basis that the transfer payment has been listed in the Estimates of National Expenditure, the Committee is satisfied that the outer years budget is sufficient in realising the set strategic objectives and targets as per the Annual Performance Plan due to the budget baseline injection.



**Prof Q Vorster**  
Chairperson of the Audit and Risk Committee



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Accounting Authority Report

---

The Council submits its report for the year ended 31 March 2020.

#### 1. Mandate and Objectives of the Council on Higher Education

The Council on Higher Education (CHE) is a public entity listed under Schedule 3A of the Public Finance Management Act (PFMA) (Act 1 of 1999), as amended. It adheres to principles of good governance, financial and fiscal prudence, and performance management, and accounts directly to the Minister of Department of Higher Education and Training.

The CHE was established as a juristic person in terms of section 4 of the Higher Education Act (Act 101 of 1997), as amended, and as the quality council for higher education in terms of the National Qualifications Act (Act 67 of 2008). In summary, the main areas of work of the CHE are:

- To provide advice to the Minister of Higher Education and Training on all higher education matters, at the Minister's request and at its own initiative;
- To develop and implement a system of quality assurance for all higher education institutions, including private providers of higher education, which includes programme accreditation, institutional audits, national standards and reviews, and capacity development and quality promotion;
- To develop and manage the Higher Education Qualifications Sub-Framework (HEQSF) and the development of higher education qualifications;
- To monitor the state of the higher education system in relation to national policy goals and international trends; and
- To contribute to the development of higher education through facilitating intellectual engagement on key issues in partnership with relevant stakeholders.

#### 2. Role and responsibilities

The Council fulfils the role of the Accounting Authority in terms of section 51 of the Public Finance Management Act (PFMA) (Act 1 of 1999), as amended.

As the Accounting Authority, the Council acts in a fiduciary capacity and its responsibilities include:

- overseeing effective, efficient and transparent systems of financial and risk management and internal control, internal audit and procurement;
- taking effective and appropriate steps to collect revenue due, to prevent irregular, fruitless and wasteful expenditure, and prevent losses from criminal conduct and expenditure as a result of non-compliance with operational policies and public finance management prescripts;
- managing and safeguarding the assets, liabilities, revenue and expenditure of the CHE;
- ensuring compliance with applicable legislation; and
- ensuring that there is an effective and appropriate disciplinary system for failure to comply with the relevant policies and prescripts

#### 3. The transfer of payment

The CHE is financially dependent on a transfer of payment from the Department of Higher Education and Training. On the basis that the transfer payment has been listed in the Estimates of National Expenditure., the Council is satisfied that the outer years budget is sufficient in realising the set strategic objectives and targets as per the Annual Performance Plan due to the budget baseline injection.

#### 4. Governance of the Council on Higher Education Council

The Council comprises a Chairperson appointed for five (5) years and thirteen (13) ordinary Council members each appointed for a period of four (4) years. Eight (8) non-voting members are appointed to the Council, nominated respectively by the Director-General of the Department of Higher Education and Training, the Provincial Heads of Education, the Director-General of the Department of Science and Technology, the Director-General of the Department of Labour, the National Research Foundation and the Chief Executive Officers of the: South African Qualifications Authority (SAQA), the General and Further Education and Training Quality Assurance Council (Umalusi) and the Quality Council for Trades and Occupations (QCTO) in their official capacities. Three members may be co-opted by the Council.



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Accounting Authority Report Continued

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All members who served on the Council during the year under review were appointed in terms of the Higher Education Act (Act 101 of 1997) as amended.

#### Committees and Sub-committees

##### *Permanent Committee*

The Council has one (1) permanent committee, the Higher Education Quality Committee (HEQC). The HEQC has executive responsibility for quality promotion and quality assurance in higher education. The functions of the HEQC in terms of the Higher Education Act are to:

- promote quality in higher education;
- audit the quality assurance mechanisms of higher education institutions; and
- accredit programmes of higher education.

##### *Sub-committees*

On 31 March 2020, six (6) Council sub-committees were in place and were fully functional, namely:

1. Executive Committee of Council (EXCO);
2. Audit and Risk Committee (ARC);
3. Human Resources and Remuneration Committee (HRRC);
4. Nominations and Governance Committee (NGC);
5. Monitoring, Research and Advice Committee; and
6. ICT Committee of Council (ICTCoC).

The members of sub-committees are appointed for the specific knowledge and skills they bring to their respective Sub-committees.

During the period under review, the Council and its sub-committees, including its permanent committee responsible for quality assurance, the HEQC, have functioned effectively in terms of the CHE's statutory mandate and have adhered to principles of good governance.

#### **6. Subsequent events**

The Council is not aware of any subsequent event arising at the end of the year.

#### **7. Risk Management**

The CHE has reviewed its risk profile during the course of the year to consider the extent to which potential events may have an impact on the achievement of the CHE's objectives. Emerging events were assessed from two perspectives – likelihood and impact – and a number of risks, predominantly on a strategic level, were identified and evaluated.

#### **8. Materiality and significant framework**

As required by the Treasury Regulations, the Council has developed and agreed on a materiality and significance framework appropriate for its size and circumstances.

#### **9. Internal audit**

The internal audit function is fulfilled under the direction of the Audit and Risk Committee and ultimately the Council, to evaluate the effectiveness of the CHE's systems of internal controls, and to recommend improvements where appropriate. The internal audit function is currently outsourced.

#### **10. Auditors**

As required by the PFMA, the current external auditor of the CHE is the Auditor General of South Africa.



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019
<b>Assets</b>			
<b>Current Assets</b>			
Receivables from exchange transactions	6	304 761	169 876
Prepayments	5	1 866 438	488 711
Cash and cash equivalents	7	<u>36 690 225</u>	<u>20 423 754</u>
		<b><u>38 861 424</u></b>	<b><u>21 082 341</u></b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	32 497 460	30 667 969
Intangible assets	4	<u>2 285 606</u>	<u>2 619 427</u>
		<b><u>34 783 066</u></b>	<b><u>33 287 396</u></b>
<b>Total Assets</b>		<b><u>73 644 490</u></b>	<b><u>54 369 737</u></b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	14	5 225 024	7 691 437
Provisions	13	2 755 490	2 471 216
Unspent conditional grants and receipts	12	<u>14 995 284</u>	<u>1 241 668</u>
<b>Total Liabilities</b>		<b><u>22 975 798</u></b>	<b><u>11 404 321</u></b>
<b>Net Assets</b>		<b><u>50 668 692</u></b>	<b><u>42 965 416</u></b>
<b>Reserves</b>			
Revaluation reserve	8	9 274 514	7 292 044
Accumulated surplus		<u>41 394 178</u>	<u>35 673 372</u>
<b>Total Net Assets</b>		<b><u>50 668 692</u></b>	<b><u>42 965 416</u></b>

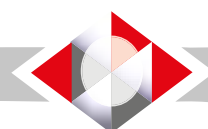


## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019
<b>Revenue</b>			
Exchange revenue	9	11 780 902	7 690 140
Non-exchange revenue	10	62 413 770	51 427 460
<b>Total revenue</b>		<b>74 194 672</b>	<b>59 117 600</b>
<b>Expenditure</b>			
Employee related costs	15	(36 135 763)	(32 279 465)
Depreciation and amortisation	2 & 4	(2 174 084)	(2 242 001)
Repairs and maintenance		(1 050 266)	(605 590)
Loss on disposal of assets		(56 462)	(32 553)
General expenses	16	(29 057 289)	(25 615 185)
<b>Total expenditure</b>		<b>(68 473 864)</b>	<b>(60 774 794)</b>
<b>Surplus (deficit) for the year</b>		<b>5 720 808</b>	<b>(1 657 194)</b>





## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus	Total net assets
<b>Opening balance at 01 April 2018</b>	<b>7 292 044</b>	<b>37 330 566</b>	<b>44 622 610</b>
Changes in net assets			
Deficit for the year	-	(1 657 194)	(1 657 194)
Total changes	-	(1 657 194)	(1 657 194)
<b>Balance at 01 April 2019</b>	<b>7 292 044</b>	<b>35 673 370</b>	<b>42 965 414</b>
Changes in net assets			
Building revaluation	1 982 470	-	1 982 470
Surplus for the year	-	5 720 808	5 720 808
Total changes	1 982 470	5 720 808	7 703 278
<b>Balance at 31 March 2020</b>	<b>9 274 514</b>	<b>41 394 178</b>	<b>50 668 692</b>

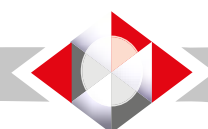


# COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

## Cash Flow Statement

Figures in Rand	Note(s)	2020	2018
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants		53 210 000	51 427 460
Other receipts		34 677 849	7 892 489
		<u>87 887 849</u>	<u>59 319 949</u>
<b>Payments</b>			
Employee costs		(35 851 489)	(32 012 150)
Suppliers		(34 026 141)	(25 131 686)
		<u>(69 877 630)</u>	<u>(57 143 836)</u>
<b>Net cash flows from operating activities</b>	18	<u><b>18 010 219</b></u>	<u><b>2 176 113</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1 649 903)	(921 693)
Proceeds from disposal of property, plant and equipment		20 750	24 508
Purchase of intangible assets	4	(114 595)	(226 596)
<b>Net cash flows from investing activities</b>		<u><b>(1 743 748)</b></u>	<u><b>(1 123 781)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>16 266 471</b>	<b>1 052 332</b>
Cash and cash equivalents at the beginning of the year		<u>20 423 754</u>	<u>19 371 422</u>
<b>Cash and cash equivalents at the end of the year</b>	7	<u><b>36 690 225</b></u>	<u><b>20 423 754</b></u>



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
Figures in Rand					
<b>Statement of Financial Performance</b>					
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Accreditation fees & Other income	5 375 000	-	5 375 000	10 043 094	4 668 094
Interest received - investment	1 200 000	-	1 200 000	1 737 808	537 808
<b>Total revenue from exchange transactions</b>	<b>6 575 000</b>	<b>-</b>	<b>6 575 000</b>	<b>11 780 902</b>	<b>5 205 902</b>
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
Government grants & subsidies	53 210 000	18 217 458	71 427 458	59 136 387	(12 291 071)
University of Johannesburg	-	3 647 971	3 647 971	3 001 054	(646 917)
University of Pretoria	-	276 329	276 329	276 329	-
Surplus funds rolled-over	-	7 000 000	7 000 000	4 505 922	(2 494 078)
<b>Total revenue from non-exchange transactions</b>	<b>53 210 000</b>	<b>29 141 758</b>	<b>82 351 758</b>	<b>66 919 692</b>	<b>(15 432 066)</b>
<b>Total revenue</b>	<b>59 785 000</b>	<b>29 141 758</b>	<b>88 926 758</b>	<b>78 700 594</b>	<b>(10 226 164)</b>
<b>Expenditure</b>					
Personnel	(37 778 470)	(1 068 865)	(38 847 335)	(36 135 763)	2 711 572
Depreciation and amortisation	(2 171 731)	-	(2 171 731)	(2 174 084)	(2 353)
Repairs and maintenance	(752 756)	-	(752 756)	(1 050 266)	(297 510)
Loss on disposal of assets	-	-	-	(56 462)	(56 462)
General expenses	(19 082 043)	(28 072 893)	(47 154 936)	(29 057 289)	18 097 647
<b>Total expenditure</b>	<b>(59 785 000)</b>	<b>(29 141 758)</b>	<b>(88 926 758)</b>	<b>(68 473 864)</b>	<b>20 452 894</b>
<b>Unadjusted surplus funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 226 730</b>	
Less: Rolled over surplus from prior year	-	-	-	4 505 922	
<b>Surplus as per Financial Performance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 720 808</b>	



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Statement of Comparison of Budget and Actual Amounts

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Budget on Cash Basis

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#### Budget vs Actual differences

Revenue from exchange transactions was higher than budgeted due to more applications for accreditation being received from private institutions. The CHE also held a QEP workshop and generated funds through conference fees.

Interest received more than budget due to additional surplus funds invested in the short-term call accounts during the year.

The CHE received additional funding from the National Skills Fund which was earmarked to primarily adjust proportionately the baseline funding for the significant proportion of the current broad CHE mandate to enable CHE to carry out the full range of its mandated functions especially for the Institutional Quality Assurance, Qualifications Management and the Programme review programmes. This funding was received late in the financial year and therefore all planned projects could not be completed in the financial year under audit. The funds were however earmarked to be utilised over a period of 2 years.

Revenue from University of Pretoria is a conditional grant and not all the funds received were spent during the year. The unspent portion is moved to current liabilities as a conditional grant.

Employee costs underspent due to vacancies and there were some unforeseen delays to fill them during the year under review.

Depreciation and amortisation including loss on disposal of assets not budgeted for as these are non-cash items and therefore not considered for budgeting purposes.

General expenses under spent due to the adjustment of the budget in the third quarter when the CHE received additional funding for the year. The CHE could not spend the funds in the remaining period.



# COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these unaudited annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the unaudited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the unaudited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

##### Trade receivables

The CHE assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the CHE makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 13 - Provisions.

##### Effective interest rate

The CHE used the prime interest rate to discount future cash flows.

##### Allowance for doubtful debts

On debtors, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Accounting Policies

#### 1.2 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the CHE is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are subsequent measured at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses except for Land and building which are carried at the revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives to their estimated residue value.

An impairment loss is only recognised when the recoverable amount of an asset is less than its carrying amount and is measured as the amount by which the carrying amount of an asset exceeds its recoverable amount.

Subsequent to the recognition of an impairment loss on an asset, the related depreciation or amortisation charge should be adjusted for future periods.

An impairment loss is recognised immediately in the surplus or deficit, except where an asset is carried at a revalued amount in accordance with another GRAP standard on property, plant and equipment. Such an impairment loss is treated as a revaluation decrease to the extent of the revaluation surplus available in the revaluation reserve.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Indefinite
Buildings	Straight line	30 Years
Furniture and fixtures	Straight line	1-22 years
Office equipment	Straight line	1-15 Years
Computer equipment	Straight line	1-15 years

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Accounting Policies

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Reviewing the useful life of an asset on a basis does not require the CHE to amend the previous estimate unless expectations differ from the previous estimate.

#### 1.2 Property, plant and equipment (continued)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in CHE as a deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset from the derecognition of an item of property, plant and equipment is included in CHE or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

#### Revaluation of Land and Building

Land and buildings held for administrative purposes are carried at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

Revaluations are done by an independent valuer every 3 years so that the carrying amounts do not differ materially from those that would be determined using fair values at the reporting date. The fair value of Land and Buildings measured using the valuation model is based on market values.

#### Change in estimate

After the revaluation of Land and Building, the useful lives of all category of assets related to the building are re-assessed.

#### 1.3 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from CHE and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the CHE intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the CHE or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The CHE assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Accounting Policies

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it; and
- it will generate probable future economic benefits or service potential;

#### 13 Intangible assets (continued)

- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Subsequent to initial recognition intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they have been tested for impairment by and whenever there is an indication that the asset may be impaired. For all other intangible assets, amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	1-16 years
Internally generated intangible assets	10-20 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

#### 14 Financial instruments

Financial assets and financial liabilities are recognised on the CHE's statement of Financial Position when the CHE becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at cost, including transactional costs. Subsequent to initial recognition these instruments are measured as set out below:

##### Financial Assets

CHE's principal financial assets are accounts receivable and cash and cash equivalents.

Accounts receivables are subsequently measured at their amortised costs using the effective interest rate method and reduced by appropriate allowances for estimated irrecoverable amounts which represent cost.

Cash and cash equivalents are measured at cost.





## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Accounting Policies

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Financial assets or a portion thereof are derecognised when the contractual rights to the benefits specified in the contract expire and the CHE surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the cost of the asset that had been reported in the net assets is included in the surplus or deficit for the period.

#### Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method.

#### 15 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

##### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### 16 Employee benefits

##### Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service to the CHE.

The provisions for employee entitlements to salaries and leave represent the amount that the CHE has a present obligation to pay as a result of employees' services provided to the statement of financial position date. The provisions have been calculated at undiscounted amounts on current salary rates.

The expected costs of bonus payment are recognised as an expense when there is a legal or constructive obligation to make such payment as a result of past performance.

##### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement schemes are dealt with as defined contribution plans where the CHE obligation under the schemes is equivalent to those arising in a defined contribution plan.

#### 17 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.



# COUNCIL ON HIGHER EDUCATION

## Accounting Policies

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All the provisions of the CHE are short-term in nature and thus ignore the effect of discounting.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

### 1.7 Provisions and contingencies (Continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the CHE settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

### 1.8 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the CHE directly in return for services rendered, the value of which approximate the consideration received or receivable.

The CHE receives exchange revenue from private institutions as indicated below:

- 1) **Private institutions application for accreditation:** Institutions pay a non-refundable fee which is recognised in revenue based on the stage of completion;
- 2) **Site visits:** Site visit fees including the associated costs incurred are invoiced to the institutions and recognised in revenue on an accrual basis; and
- 3) Other revenues such as conditions, representations, reaccreditation and referrals for private institutions are recognised as revenue on an accrual basis.

### Interest received

Interest received from favourable bank deposits is recognised as revenue from exchange transactions through the statement of financial performance in the period it is received.

### 1.9 Revenue from non-exchange transactions

The transfer from DHET is recognised when it is probable that future economic benefits will flow to the CHE and when the amount can be measured reliably. A transfer is recognised as revenue to the extent that there is no further obligation arising from the receipt of transfer payment.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

### Unspent conditional grant

Unspent conditional grants are disclosed as liabilities and only realised as revenue through the statement of financial performance when the conditions related to the grant are met.

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## COUNCIL ON HIGHER EDUCATION

### Accounting Policies

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#### 1.10 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was incurred in vain and could have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.11 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- (a) the PFMA; or
- (b) National Treasury regulations.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of expenses and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008).

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

#### 1.12 Budget information

CHE is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by CHE shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The financial statements and the budget are not presented on the same basis as the unaudited annual financial statements are prepared on an accrual basis and the budget on a cash basis of accounting. A reconciliation between the surplus/(deficit) for the period as per the statement of financial performance and the budgeted surplus/(deficit) is included in the statement of comparison of budget and actual amounts.

#### 1.13 Related parties

The CHE operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management is those persons responsible for planning, directing and controlling the activities of the CHE, including those charged with the governance of the CHE in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence or be influenced by, that management in their dealings with the CHE.

#### 1.14 Standards of GRAP not yet effective

The following standards have been approved but are not effective on 31st March 2020.

GRAP 104 Financial Instruments.

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## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31st March 2020

### Accounting Policies

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#### Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The CHE will adjust the amount recognised in the financial statement to reflect adjusting events after the reporting date once the event occurred.

#### 1.15 Non-adjusting events after reporting date

The CHE shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting date.

The CHE shall disclose the following for each material category of the non-adjusting event after the reporting date:

- a) The nature of the event; and
- b) An estimate of its financial effect, or a statement that such an estimate cannot be made.

#### 1.16 Commitments

Items are classified as commitments when the CHE has committed itself to future transactions that will normally result in the outflow of cash to third parties or suppliers. Disclosures are required in respect of all contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements making a distinction between operational expenditure and capital expenditure. The CHE recognises and discloses three categories of commitments namely;

##### 1) Payroll commitments

These are commitments made in the form of contracts offered to peer academics and consultants who provide services to the CHE on higher education-related matters.

##### 2) Open purchases orders

These are system generated and approved open purchase orders issued to suppliers before the end of the financial year, but for which goods or services has not yet been provided or received.

##### 3) Contracts

These are contracts or balances that are in place or issued before the end of the financial year, therefore awarded to suppliers to render goods and services for the ensuing periods. Wherein contracts have rates/ad-hoc fees CHE will apply cost estimates, to cater for additional cost while servicing the contract.



**COUNCIL ON HIGHER EDUCATION**  
Annual Financial Statements for the year ended 31 March 2020  
**Notes to the Annual Financial Statements**

Figures in Rand

**2. Property, plant and equipment**

	2020			2019		
Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	
Land	8 300 000	-	8 300 000	8 300 000	-	
Buildings	30 381 680	(9 881 682)	20 499 998	28 399 209	(8 889 666)	
Furniture and fixtures	2 085 356	(1 507 487)	577 869	1 821 408	(1 407 128)	
Office equipment	3 788 901	(2 040 645)	1 748 256	3 233 785	(1 843 372)	
Computer equipment	3 197 609	(1 826 272)	1 371 337	2 722 395	(1 668 662)	
Total	47 753 547	(15 256 087)	32 497 460	44 476 798	(13 808 829)	
					30 667 969	

**Reconciliation of property, plant and equipment - 2020**

	Opening balance	Additions	Disposals	Revaluations	Other changes, movements	Depreciation	Total
Land	8 300 000	-	-	-	-	-	8 300 000
Buildings	19 509 543	-	-	1 982 470	-	(992 015)	20 499 998
Furniture and fixtures	414 280	266 660	-	-	-	(102 912)	577 869
Office equipment	1 390 413	753 794	(56 628)	-	6	(339 329)	1 748 256
Computer equipment	1 053 733	629 450	(20 425)	-	(61)	(291 360)	1 371 337
<b>Total</b>	<b>30 667 969</b>	<b>1 649 904</b>	<b>(77 212)</b>	<b>1 982 470</b>	<b>(55)</b>	<b>(1 725 616)</b>	<b>32 497 460</b>

## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Notes to the Annual Financial Statements

Figures in Rand

#### 2. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Land	8 300 000	-	-	-	8 300 000
Buildings	20 360 669	144 832	(8 025)	(987 933)	19 509 543
Furniture and fixtures	559 411	-	(726)	(144 405)	414 280
Office equipment	1 438 988	318 898	(24 719)	(342 754)	1 390 413
IT equipment	927 667	457 960	(23 591)	(308 303)	1 053 733
	<b>31 586 735</b>	<b>921 690</b>	<b>(57 061)</b>	<b>(1 783 395)</b>	<b>30 667 969</b>

#### Pledged as security

No assets are pledged as security.

#### Repairs and Maintenance expenditure

Expenditure relating to repairs and maintenance of the building amounted to R1,050,266:(2019:R605,590).



## COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

### Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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#### 2. Property, plant and equipment (continued)

##### Details of property

Land	8 300 000
Building	20 500 000
<b>Revalued amount</b>	<b>28 800 000</b>

The 7,580 square meters property is located at 1 Quintin Brand, Persequor Technopark, Tshwane. The title deed number is T4934/2009. The property was revalued at 31st March 2020 by Professional Associated Independent valuer My Beukes Kuit SACPV reg 7331/2.

The property was revalued using the income capitalisation method at the capitalisation rate of 10.75%.

The valuation did not take into account the impact on the property market as a result of the declaration of the National State of Disaster in the Republic of South Africa due to the COVID-19 pandemic.

#### 3. Change in estimate

##### Property, plant and equipment

Management reassessed the useful lives of assets that were approaching a nil carrying amount but were still in good condition. The reassessment was performed on individual assets in each category and their useful lives were extended by an additional four years.

The change in estimate was effected prospectively from the beginning of the financial year and the impact on depreciation per asset category is as follows:

Category	Original estimate	Revised depreciation	Reduction in depreciation expense
Computer equipment	16 205	6 924	(9 281)
Furniture and fittings	57 759	14 440	(43 319)
Office equipment	22 313	5 578	(16 735)
	<b>96 277</b>	<b>26 942</b>	<b>(69 335)</b>



# COUNCIL ON HIGHER EDUCATION

Annual Financial Statements for the year ended 31 March 2020

## Notes to the Annual Financial Statements

Figures in Rand

2020

2019

### 4. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Internally generated	4 196 475	(2 596 323)	1 600 152	4 196 475	(2 291 532)	1 904 943
Computer software, other	1 600 534	(915 080)	685 454	1 485 939	(771 455)	714 484
<b>Total</b>	<b>5 797 009</b>	<b>(3 511 403)</b>	<b>2 285 606</b>	<b>5 682 414</b>	<b>(3 062 987)</b>	<b>2 619 427</b>

#### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Internally generated	1 904 943	-	(304 791)	1 600 152
Computer software	714 484	114 595	(143 625)	685 454
	<b>2 619 427</b>	<b>114 595</b>	<b>(448 416)</b>	<b>2 285 606</b>

#### Reconciliation of intangible assets - 2019

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Internally generated	2 209 733	-	-	(304 790)	1 904 943
Computer software, other	641 699	226 596	3 049	(156 860)	714 484
	<b>2 851 432</b>	<b>226 596</b>	<b>3 049</b>	<b>(461 650)</b>	<b>2 619 427</b>

#### Fully amortised software

During the year under review, fully amortised computer software with the cost price of R630,070 was still in use. After the reassessment of useful lives of all assets at year end, management decided not to extend their amortisation period as the continued use of this software depend on the annual renewal of their respective licences.

#### Internally Generated Intangible Assets

Internally generated assets relate to the development costs of the Higher Education Quality Committee (HEQC) and Higher Education Quality Sub-Framework online systems. These two systems are owned by the CHE and were developed to enhance the CHE process of receiving and processing applications from accreditation from institutions and meets the definition of internally generated intangible assets according to GRAP 31 on intangibles.

### 5. Prepayments

Opening balance	488 713	415 017
Amounts realised to expense during the year	(833 968)	(383 015)
Additions during the year	2 211 693	456 711
	<b>1 866 438</b>	<b>488 713</b>

### 6. Receivables from exchange transactions

Trade debtors	143 889	46 090
Deposits	14 369	13 515
Over payment to supplier	88 672	35 798
Staff loans	57 831	74 473
	<b>304 761</b>	<b>169 876</b>



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#### 6. Receivables from exchange transactions (continued)

##### Trade and other receivables pledged as security

Trade and other receivables were not pledged as security for any financial liability.

##### Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

##### Fair value of receivables from exchange transactions

The fair value of short-term receivables approximates the carrying amount of the balance due to their short-term maturity.

##### Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired. At 31 March 2020, R143,889 (2019: R46,090) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	143 889	46 090
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The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The CHE does not hold any collateral as security.

Trade receivables have not been discounted as the amount is not considered material.

#### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 797	384
Standard Bank: Current Account	3 400 341	5 501 810
Investec Investment Account	15 865 979	14 749 457
Standard Bank: Investment Account	17 000 000	-
Standard Bank: Private Accreditation funds	421 108	172 103
	<b>36 690 225</b>	<b>20 423 754</b>

##### Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates.

The CHE holds a short-term investment account at Investec Bank where surplus cash is held during the year, earning an above average interest rate of approximately 7% pa. This investment is accessible on a 30-day notice.

#### 8. Revaluation reserve

Revaluation surplus relates to property, plant and equipment.

Opening balance	7 292 044	7 292 044
Building revaluation	1 982 470	-
	<b>9 274 514</b>	<b>7 292 044</b>

The movement during the year is as a result of an increase in the revaluation of the Building at the end of the financial year. Refer to Note 2.



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#### 9. Exchange revenue

Accreditation fees	8 794 553	5 431 273
Conference fees	578 323	725 433
Interest received - Investment	1 737 808	1 533 434
Other income	670 218	-
	<b>11 780 902</b>	<b>7 690 140</b>

#### 10. Non exchange revenue

##### Operating grants

Government grant	59 136 386	50 727 000
University of Pretoria	276 330	700 460
University of Johannesburg-IQAF Project	3 001 054	-
	<b>62 413 770</b>	<b>51 427 460</b>

#### 11. Investment income

##### Interest revenue

Interest earned	1 737 808	1 533 454
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Interest earned relates to surplus cash reserves deposited in short-term investments with effective interest received of approximately 7%.

#### 12. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

##### Unspent conditional grants and receipts

Unspent grant	14 995 284	1 241 668
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##### Movement during the year

Balance at the beginning of the year	1 241 668	852 128
Additions during the year	23 996 972	1 090 000
Income recognition during the year	(9 203 772)	(700 460)
Refunded to University of Pretoria	(1 039 584)	-
	<b>14 995 284</b>	<b>1 241 668</b>

##### Grant breakdown

National Skills Fund	14 073 614	-
University of Johannesburg	646 916	-
University of Pretoria	274 754	1 241 668
	<b>14 995 284</b>	<b>1 241 668</b>

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#### 12. Unspent conditional grants and receipts (continued)

1) The CHE received additional funding from the National Skills Fund which was earmarked to primarily adjust proportionately the baseline funding for the significant proportion of the current broad CHE mandate to enable CHE to carry out the full range of its mandated functions especially for the institutional Quality Assurance, Qualification Management and the Programme review programmes. The funds are to be utilised over 2 years from the date the funds were received in June 2019 to May 2021.

2) The CHE received funding through the University of Johannesburg for the Integrated Quality Assurance Framework project. This project is due to be completed in the 2020-21 financial year.

3) The funding from the University of Pretoria was for two special projects which are the Quality Enhancement projects (QEP) and the Higher Education Learning and Teaching Association of Southern Africa (HELTASA) awards.

These funds are recognised as income once expenditure relating to these projects has been incurred. The balance of these funds is expected to be utilised in the 2020-21 financial year.

#### 13. Provisions

##### Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	1 370 067	348 693	(128 690)	1 590 070
Performance bonus	1 101 149	1 165 417	(1 101 146)	1 165 420
	<b>2 471 216</b>	<b>1 514 110</b>	<b>(1 229 836)</b>	<b>2 755 490</b>

##### Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Total
Leave pay provision	1 204 762	341 122	(175 817)	1 370 067
Performance bonus	999 138	1 101 149	(999 138)	1 101 149
	<b>2 203 900</b>	<b>1 442 271</b>	<b>(1 174 955)</b>	<b>2 471 216</b>

##### Leave pay provision

Leave pay provision relates to the vesting leave pay to which employees may become entitled upon leaving the employment of CHE. The provision is utilised when employees are paid for their accumulated leave. There is no expected reimbursement of this provision.

Leave from the previous cycle not taken within six months after the end of the cycle is forfeited by the employee.

##### Performance bonus

Performance bonuses are payable to eligible employees after the finalisation of the moderation process and conclusion of external audit for the year under review.

#### 14. Payables from exchange transactions

Trade payables	1 878 884	2 380 675
Accreditation fees received in advanced	2 447 737	4 727 040
Accruals	885 611	570 910
Accrued bonus	12 792	12 812
	<b>5 225 024</b>	<b>7 691 437</b>

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#### 14. Payables from exchange transactions (continued)

CHE pays all its trade and other payables within 30 days of receipt of invoice in accordance with the terms of the PFMA and Treasury Regulations.

The fair value of payables approximates the carrying amount due to their short-term nature.

#### 15. Employee costs

Basic	29 725 596	26 230 577
Retirement annuity	569 185	512 967
Medical aid - company contributions	719 625	737 471
UIF	170 420	164 267
Leave Paid	128 690	175 816
Short term benefit - Nehawu	7 344	15 912
Other short-term costs-Social club	34 796	27 527
Defined contribution plans -Provident fund	2 812 377	2 578 963
Provident Fund: Administration fees	766 963	700 313
Workmans compensation	35 347	34 503
Performance bonus provision	1 165 420	1 101 149
	<b>36 135 763</b>	<b>32 279 465</b>

#### Conditional grant expenditure

Included in employee costs is an amount of R2,046,942 paid to a project manager and two administrators in charge of the Integrated Quality Assurance Framework (IQAF) special project that the CHE is undertaking over a period of 18 months. The funding of this project was received from the University of Johannesburg.



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#### 16. General expenses

Consultancy services and Subcommittee members	1 461 923	1 282 570
Outsourced services	1 934 881	1 655 250
Assessment rates and municipal charges	249 027	312 356
Auditors' remuneration -Refer to Note 17	1 224 449	1 169 768
Bank charges	44 585	46 468
Cleaning	458 015	369 040
Peer academics	6 809 741	5 642 921
Consumables	99 208	85 966
Sundry expenses	-	38 572
Messenger Services	19 192	5 496
Garden services	86 204	83 588
Debt written-off	-	254 999
Insurance	162 237	186 018
Conferences and seminars	12 200	12 751
Bursaries	77 205	148 184
IT expenses	2 063 808	2 728 929
Promotional items	418 142	286 685
Levies	93 011	35 934
Magazines, books and periodicals	69 123	383
TV License	530	-
Recruitment costs	488 368	732 560
Postage and Courier	13 320	17 788
Printing and stationery	639 706	791 357
Security services	328 188	338 324
Employee welfare	192 912	143 516
Subscriptions and Membership fees	67 730	173 299
Telephone, Cellphone and Data costs	343 329	315 961
Training	227 310	220 999
Travel - local	4 223 212	3 128 850
Travel - overseas	136 434	116 700
Electricity	510 006	567 032
Lease rentals on operating lease	80 238	80 240
Honorarium	157 500	180 000
Venue and Catering	948 766	822 308
Remuneration of Council and Committee members	1 441 127	1 392 408
Legal fees	3 975 662	2 247 965
	<b>29 057 289</b>	<b>25 615 185</b>

#### Conditional grant expenditure

Included in general expenses is an amount of R1 230 442 (2019: R700 460) relating to the expenses for the conditional grants from the University of Pretoria and the University of Johannesburg for the HELTASA and the Integrated Quality Assurance Framework (IQAF) special projects respectively. The breakdown of these expenses is as follows:

Peer Academics	280 382	428 750
Honorarium	140 000	165 000
Travel	533 332	106 710
Recruitment costs	80 227	-
Legal costs	32 334	-
Venue and Catering	63 716	-
Other	100 431	-
	<b>1 230 422</b>	<b>700 460</b>



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#### 17. Auditors' remuneration

External auditors	712 678	799 292
Internal auditors	511 771	370 476
	<b>1 224 449</b>	<b>1 169 768</b>

#### 18. Cash generated from operations

Surplus (deficit) <b>Adjustments for:</b> Depreciation and amortisation	5 720 808	(1 657 194)
Loss on disposal of assets	2 174 084	2 242 001
Movements in provisions	56 462	32 553
	284 274	267 316
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(134 885)	202 349
Prepayments	(1 377 727)	(73 694)
Payables from exchange transactions	(2 466 413)	773 242
Unspent conditional grants and receipts	13 753 616	389 540
	<b>18 010 219</b>	<b>2 176 113</b>

#### 19. Commitments

##### Operating leases- as lessee

##### Minimum lease payments due

• Within one year	73 554	80 240
• In second to fifth year inclusive	-	73 554
	<b>73 554</b>	<b>153 794</b>

##### Total capital commitments

Already contracted for but not provided for	73 554	-
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Operating lease payments represent rentals by the CHE for photocopying machines. These leases are negotiated for periods ranging from 12 months to 120 months. The operating lease liability at the end of the period is R73,554 (2019:R153,794).

##### Other Commitments

The CHE has no capital commitment for the year under review (2019:Nil).

Commitments for goods and services to be rendered to the CHE in the next financial year 2020-21 amounts to 3,824,895. This amount is broken down between Payroll R179,200, Purchase orders R1,081,171 and Contracts of R2,564,524.

The amount of R3,824,895 will not be used as a base to calculate the request for retention of cash surplus as per National Treasury instruction no 6 2017/18 because some amounts such as R2,564,524 for contracts do not meet the criteria as per National Treasury Instruction no 6 of 2017/18.

The full commitments including contracts for goods and services to be rendered to the CHE as at 31st March 2020 amount to R5,165,293 (2019:R6,895,510).

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#### 20. Related parties

Relationships  
Department  
Public entities under DHET

DHET  
SAQA  
University of Pretoria University of  
Johannesburg

Other public entities

Government Technical Advisory Centre

Senior Management and Council Members

Refer to note 21

#### Related party balances:

##### Transactions included in revenue

DHET	59 136 386	50 727 000
University of Pretoria	276 330	700 460
University of Johannesburg	3 001 054	-

The CHE received funding from the University of Pretoria to be utilised for the Quality Enhancement Projects (QEP) workshops.

The CHE received funding from the University of Johannesburg for the 18 months special project called the Integrated Quality Assurance Framework (IQAF)

##### Transactions included in expenditure

SAQA	1 753 360	1 655 250
University of Johannesburg	181 521	-
Government Technical Advisory Centre	257 981	-

##### Balances in Current Liabilities

DHET-National Skills Fund	14 073 614	-
University of Johannesburg	646 916	-
University of Pretoria	274 754	1 241 668



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### 21. Members of Key Management and Council Emoluments

#### Executive Management

##### 2020

	Emoluments	Retention allowance	Acting allowance	Performance bonuses	Total
Chief Executive Officer	2 026 101	27 156	-	80 000	2 133 257
Chief Financial Officer	1 512 456	-	-	70 000	1 582 456
Director: Corporate Services	1 509 183	-	-	71 000	1 580 183
Acting Director: Accreditation	-	-	140 721	-	140 721
Director: IQAF	1 509 183	-	-	62 000	1 571 183
Director: National Standards and Reviews	1 509 183	-	45 453	60 000	1 614 636
Director: Quality Assurance Promotion and Coordination	1 278 497	-	54 544	60 000	1 393 041
Director: Institutional Audits*	213 083	-	-	-	213 083
	<b>9 557 686</b>	<b>27 156</b>	<b>240 718</b>	<b>403 000</b>	<b>10 228 560</b>

\* Appointed February 2020.

##### 2019

	Emoluments	Acting Allowance	Leave pay	Retention Allowance	Performance bonuses	Total
Chief Executive Officer	1 629 348	-	-	325 869	70 000	2 025 217
Chief Financial Officer	1 422 012	-	-	-	65 000	1 487 012
Director: Corporate Services	1 183 932	29 429	-	-	57 000	1 270 361
Director: Institutional Audits	-	71 181	-	-	-	71 181
Director: Accreditation	1 183 932	-	-	-	60 000	1 243 932
Director: National Standards and reviews	1 183 932	-	-	-	55 000	1 238 932
Director: Quality Assurance Promotion and Coordination	1 183 932	13 635	-	-	57 000	1 254 567
Director: Monitoring and Evaluation	887 949	-	24 645	-	57 000	969 594
	<b>8 675 037</b>	<b>114 245</b>	<b>24 645</b>	<b>325 869</b>	<b>421 000</b>	<b>9 560 796</b>

#### Council Members' Remuneration

##### 2020

	Members' fees	Total
For services as Council and Committee members	1 441 127	1 441 127

##### 2019

	Members' fees	Total
For services as Council and Committee members	1 392 408	1 392 408



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#### 22. Financial instruments disclosure

##### Categories of financial instruments

##### 2020

##### Financial assets

Trade and other receivables from exchange transactions  
Cash and cash equivalents

At cost	Total
304 761	304 761
36 690 225	36 690 225
<b>36 994 986</b>	<b>36 994 986</b>

##### Financial liabilities

Trade and other payables from exchange transactions

At cost	Total
5 219 275	5 219 275

##### 2019

##### Financial assets

Trade and other receivables from exchange transactions  
Cash and cash equivalents

At cost	Total
169 876	169 876
20 423 754	20 423 754
<b>20 593 630</b>	<b>20 593 630</b>

##### Financial liabilities

Trade and other payables from exchange transactions

At cost	Total
7 691 439	7 691 439

#### 23. Risk management

##### Financial risk management

##### Liquidity risk

The CHE is only exposed to liquidity risk with regards to the payment of its trade payables. These trade payables are all due within a short-term. The CHE manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in a money market account.

##### Interest rate risk

The CHE's income and operating cash flows are substantially independent of changes in the market interest rates. However, the value of income earned on call account investment balances will be affected when there are fluctuations in the market interest rates.



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#### 23. Risk management (continued)

##### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The CHE only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2020	2019
Standard Bank: Current Account	3 821 449	5 674 297
Trade debtors	143 889	46 090
Investec: Investment Account	15 865 979	14 749 457
Standard Bank: Investment Account	17 000 000	-

Trade Debtors age analysis as at 31st March 2020	Over 90 Days	60 Days	30 Days	Current	Total
	143 889	-	-	-	143 889

Trade Debtors age analysis as at 31st March 2019	Over 90 Days	60 Days	30 Days	Current	Total
	46 090	-	-	-	46 090

#### 24. Taxation

The CHE is exempt from normal income tax as more than 80% of its income is defrayed from the funds voted by Parliament. The CHE is exempted from payment of Value Added Tax (VAT) on the transfer received. As a result, any VAT paid by CHE is also not refundable by the South African Revenue Services (SARS).

#### 25. Fruitless and wasteful expenditure

Balance brought forward	2 361	2 361
Current year additions	5 570	15 702
Recovered	-	(15 500)
Written-off	(6 186)	(202)
	<b>1 745</b>	<b>2 361</b>

Fruitless and wasteful expenditure for the year relate to flight ticket cancellations and additional kilometers charged on car hire.

#### 26. Irregular expenditure

Add: Irregular Expenditure - current year	-	41 343
Less: Amounts condoned	-	(36 293)
Less: Amounts recoverable (not condoned)	-	(5 050)
	-	-

There was no irregular expenditure incurred during this financial year nor brought forward from prior year.

#### 27. Contingent Liability

The CHE had unspent cash of R14 019 188 from the budget of the year under review. This unspent cash is ordinarily supposed to be transferred back to National Treasury according to section 53(3) of the PFMA. The CHE has requested for the retention of these funds from National Treasury to address budget pressures that the CHE is facing for the 2020-21 financial year.

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#### 28. Contingent Asset

In December 2019, the CHE was a respondent to an application brought to the High Court by Educor, Damelin and Lyceum Colleges. The application sought to interdict suspending the operation and implementation of the decision by the CHE not to re-accredit certain academic programmes offered by these institutions. The Court dismissed the application with costs and the CHE expects to recover up to R300,000 in legal fees in the second half of 2020 as a result of this application.

#### 29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Due to the commitment of funding from DHET over the medium-term expenditure framework (MTEF) period, the CHE will continue to operate for the foreseeable future and as at 31st March 2020, the total assets of the CHE exceeded its liabilities by R50,668,692.

#### 30. Accounting by Principles and Agents CHE as the principle

##### 1) South African Qualifications Authority (SAQA)

In terms of the National Qualifications Framework (NQF) Act of 2008, the CHE is obliged to provide data about learner achievements in Higher Education for both private and public Institutions to the National Learners' Record Database (NLRD), operated by SAQA. For public Universities, this is done through the Higher Education Management Information Systems (HEMIS) of the Department of Higher Education and Training (DHET). The information for Private Higher Education Institutions (PHEI's) has been managed through the HEQCIS. An agreement was signed between the CHE and SAQA whereby SAQA would manage the HEQCIS on behalf of the CHE based on SAQA's experience in running the NLRD. The CHE paid SAQA R1,753,360 (2019:R1,655,250) to carry out this function.

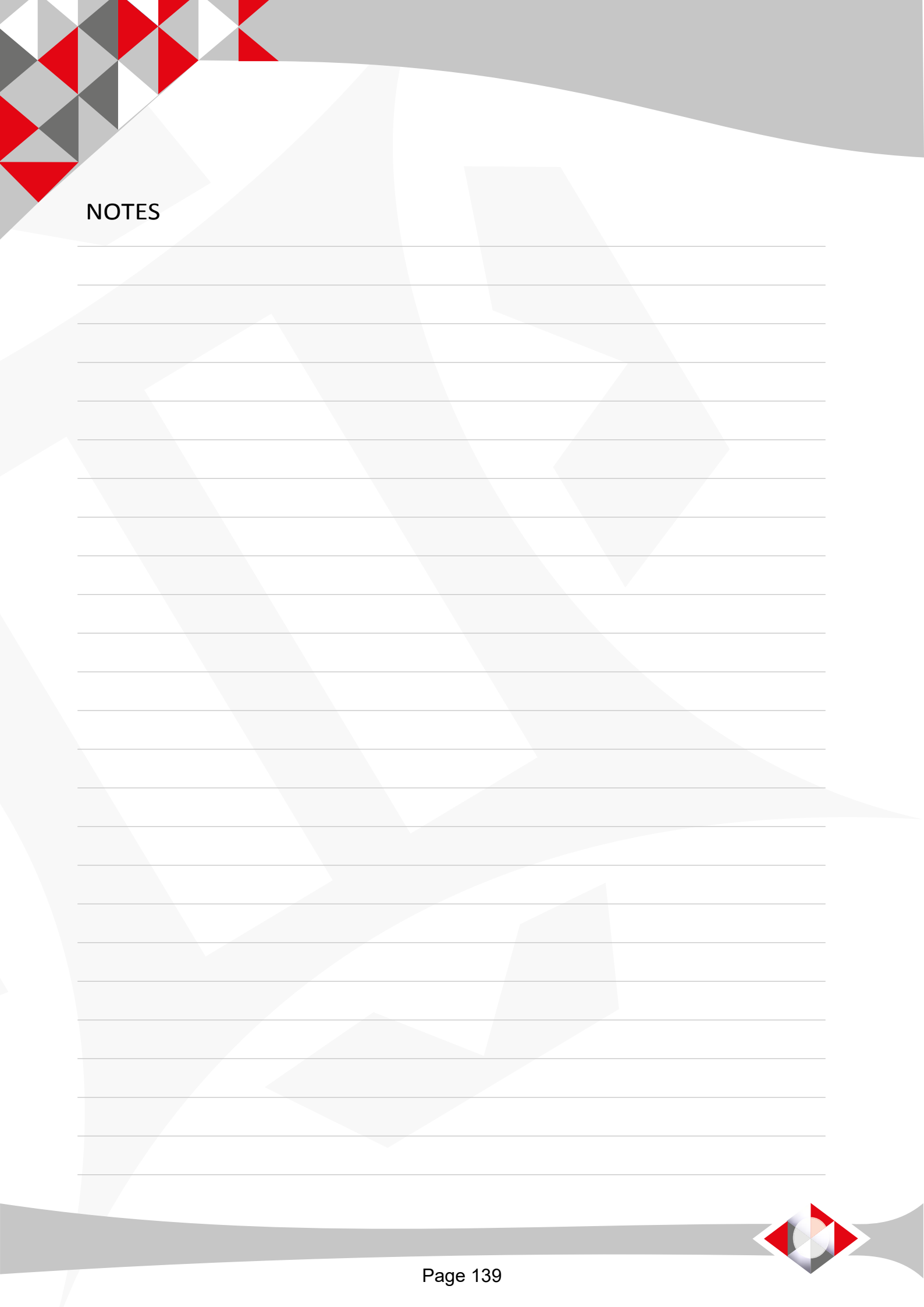
##### 2) University of Johannesburg

As part of its mandate on Monitoring and advice, the CHE appointed the University of Johannesburg to render services and perform all necessary and relevant functions, task and activities relating to the project on *Access and Success in Higher Education in South Africa: Impact on inequality*. This project was to specifically assess the impact of the recent student upheavals and associated changes in the Higher Education policy on inequality. The CHE as the principle paid the university of Johannesburg R1,633,690 to carry out this function for the period February 2020 to July 2021. Included in general expenses is the pro rata amount of R181,521 of the contract fee.

#### 31. COVID-19

As a result of the COVID-19 pandemic, a national state of disaster was declared at the end of March 2020 and the ensuing lockdown and travel restrictions impacted on the training, all planned and unplanned physical meetings as well as site visits. This resulted in more funds being allocated to the enhancing of the CHE ICT infrastructure to enable the new remote working arrangement for all staff, virtual meetings as well as site visits.





NOTES

20 horizontal lines for writing notes.





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